



What “People First” Looks Like: An Ultimate Software Case Study

HIGHLIGHTS



SNAPSHOT

SPEAKERS

Keri Kersten (Ultimate Software) and Kelly Schott (TheCR)

COMPETENCIES

Culture

MATURITY PHASES

CMM1, CMM2

1. **Interested in the motto on which the “people first” strategy has been built for Ultimate Software?** People first will look different for everybody, but this motto has had proven business value.
2. **Want to know how Ultimate Software has proven that a “people first” strategy is financially lucrative?** Keri shared 4 business metrics with a definite “wow” factor.
3. **Ever wondered where employees rank if customers are first?** Participants had some intriguing discussion around this point and the importance of a clear definition.

OVERVIEW

- **Background Keri Kersten.** Keri has been with Ultimate Software since August, 2019. She is thrilled to say that she leads a community team, which has been different and welcoming since she used to be a lone wolf.
 - Interestingly, when Keri interviewed for Ultimate Software, she was skeptical about how much they honestly put people first. This was especially true because her previous company had “people first” on their list of company values, but ranked it second. So, she asked in her interviews how the company really knew that they were putting people first. They offered concrete examples that actually showed that this was something that they took seriously. The Founder’s motto is “If you take care of your people, the people will take care of your business”. This is evident within Ultimate Software.
 - “People first” will be different for everyone. That can make this a very difficult statement to define, but Ultimate Software is doing a very good job of it in Keri’s opinion.

BEST PRACTICES

- **People first value.** The Founder of Ultimate Software wanted to walk in his father's footsteps, which is where the above motto originated. Therefore, when he started the Company this motto was the compass he used to keep him on track.
 - The Founder's first two hires were for Human Resources Managers. They both worked with the company since its inception and just retired last year.
 - One of the first things these human resources managers did was commit to paying 100% of employee benefits. The total compensation package includes staff awards. That has been protected through some very tough company times.
 - The Company keeps expanding the benefits vs. taking them away. For example, the Company used to sponsor kid's baseball teams. However, they got to thinking that not all kids play baseball and what they do for one, they should do for all. So, now every child of every employee is given \$300 per year to put towards any extracurricular event, whether it's violin lessons or sports related, etc.
 - Another favorite story that depicts these core values is of an employee who was struggling to have children, but couldn't afford adoption as an alternative. Now, everyone is given \$10,000 per year per family for up to 2 adoptions.
 - Keri stated that there are many, many more stories like this one and not just around benefits.

LESSONS LEARNED

- To be completely transparent, Keri stated that Ultimate Software sells human capital management software. They are literally in the people business. Their job is to help companies enable their HR function. So, it's not just who they are, it's what they sell. It helps that they are seen and trusted as market leaders in terms of culture and how they live it. This degree of putting "people first" might be more difficult for other companies that would have to shift their business models based on what they sell, i.e. a chemical company. That said, the challenge in having a people-first value means that there always has to be something for someone. Someone will always feel left out or that his/her needs have not been met in some way. The challenge in community for Ultimate Software is that their customers don't have the same culture. Customers sometimes feel that something that would work for Ultimate Software wouldn't work for them because of the culture differences. Then, by virtue of that scenario, they will feel that they are not being put first.
- Within Ultimate Software, 40% of employees – including Keri – work virtually. When they do connect they do so live in Slack, chat, etc. In these offices, they have very strong relationships. Every employee is encouraged to bring their authentic self to work, no matter what that self looks like. All of their offices are well branded. They have game rooms and mindfulness rooms, coffee stations with healthy snacks, etc.
 - Ultimate Software hires those candidates that they believe are the right people for the job. They believe that they can teach them to do the job if they are the right fit for the culture. This way, the relationship is very natural.
- The Ultimate Software community is an external community. They want to bring that "people first" culture to their customers. They want customers to experience those same types of caring relationships.
- Be loud and advocate for your community and your people.
- Participants described their greatest challenge in demonstrating "people first" as a value.
 - One member stated that it's the lack of behavior metrics that they get from their community platforms. The metrics are all focused on content.
 - Many companies are focused on profits and pleasing shareholders. That can definitely get in the way of putting people first. So, it's challenging when an organization says that they put people first as a value, but then lay them off or don't replace positions.
 - The other side of this is putting tools, technology and content before people.

LESSONS LEARNED, CONT.

- Kelly asked others how they are able to navigate putting the people-first philosophy into play at their organizations and what roadblocks or obstacles they have faced.
 - One participant stated that, admittedly, there were other factors outside of the community that pushed the company to adopt a people-first attitude. This participant's company went into subscription licensing, which meant that they had to care about nurturing the customer journey post sale. That's a sweet spot for community.
- It helped Keri to go on strategic awareness meetings with different people in the organization that could help advocate and drive change, i.e. customer success, corporate strategy, education, etc. Always know who you are and have your own personal goals for community even if there is an over-arching corporate strategy that is not as focused as you would like it to be. Always have the slide deck and the talk track ready to go with whomever anywhere. Meet them where they are – be able to translate your vision to every audience.
- Kelly asked Keri if there was a different translation between internal and external when it comes to the actions of putting people first. Keri said there is a little bit of a difference.
 - First of all, Ultimate Software has a “Partners for Life” business model. There is a 96% customer retention rate. Customers really are customers for life. One of the things that community does for its customers is to focus on their self-service experience. Not only does the community help them connect with other customers about their challenges, it helps them to build relationships with people who are in similar situations, similar industries, similar roles, etc.
 - They also help them with professional development. Part of the community program is what they call “Beyond the Software”. They bring leadership content and discussions to their customers focused on how to be better at their jobs. So, it's not just about how to use the software better, it's about how they can be better in their role. How can they bring different levels of competency to their jobs vs. just the software?
 - This includes user meet-ups, local user groups, meet-ups at the customer conference, etc. This way they get the level of support needed to do their jobs in the best way possible.

LESSONS LEARNED, CONT.

- Kelly asked Keri to share what she is most proud of in Ultimate Software's people-first strategy:
 - They use Salesforce and began piloting some different internal and external groups focused on very specific business areas. For example, year-end is very busy for HR. They have just finished open enrolment, closing out payroll and taxes, etc. Therefore, they piloted an internal and external group to specifically share challenges that occur around year end. They received some great feedback internally. The staff love having a closed space to safely collaborate and share resources, ask questions, etc. As well, the external groups open to customers are a great space to safely ask questions. They also proactively share content and company communications, which really pleases customers while also diverting the number of IT cases. It was a win/win for the customers and the internal teams who feel good about how they can proactively please customers.
 - Never underestimate how the little things can make a big difference. It doesn't have to be a big win to make a big difference.
- Think from the user's perspective. Sometimes it's easy to forget this perspective as a community manager when you get caught up in the management and admin role. It's very important to be able to understand the user and his/her needs.
 - Community management in and of itself is a people-first effort. Every aspect of this role centers on the needs of the community and meeting those needs, whether it is responding to a question or providing content, etc.
- Having a clear definition of "people first" is so important because it means different things to different people. One participant stated that her firm created company values and the first value was "clients first." The question was, if clients are first does that mean employees are second? This prompted a conversation about how staff treat each other and the relationship between internal and external. So, they are now also concentrating on other values to be able to feel more comfortable telling their stories and being authentic. In the community space, they call it "humanization." They are working on profiles and avatars and all the little things that help you to remember that the person you're talking to is a human being.

LESSONS LEARNED, CONT.

- Kelly was intrigued by the comment regarding clients first and whether or not that makes employees second. She hadn't really thought about it that way before.
 - Others have felt this struggle, too. As the management of a community platform, whose needs get prioritized? Is it the execution behind the scenes of the internal collaboration that's required among employees to service customers or is it the community activities for the customers who are coming to the community? Which project gets prioritized? For one member, the solution is to have people fill out a request form. If they can get through the burden of filling out all those fields on the form, then you know who really cares about it.
 - Keri added that when it comes to metrics, don't forget the need for balance. It's great to be able to take care of people in the community and help them to feel good, but it has to translate positively to the business metrics. Is it the ability to defer cases? Is it problem solving for customers? Is it that they are deferring cases? Are they increasing retention? Is there any impact on retention? It's not just about the people metrics. You are competing with the budgets granted to others who tangibly make a difference to the bottom line. The key is finding the balance between the two types of metrics.
- Keri explained that their company intranet houses communities of interest, which are their community resource groups. Most of that is managed through their "Belonging Organization". They are focused on what they call community, but Keri said that they don't really know yet what that means. Since it's not really clear, Keri's team has had more people come to them asking for closed groups on their platform. They are using the intranet, which is on a different platform, and the customer community is on Salesforce. They are debating whether they should allow this and which guidelines should be put in place. Keri and her team are trying to ascertain what the needs are for these internal communities and where these needs could best be met. Therefore, the next steps in the strategy include how to become a Center of Excellence and what that would look like.

LESSONS LEARNED, CONT.

- When they worked on their recent refresh of community, Keri and her team offered surveys to find out what really mattered to members. One survey question centered on how long they should wait for a question to be answered in the community before submitting a case. A similar question asked what steps were taken before coming to the community to ask a question. The purpose of the survey was to gain a better understanding of what good service looks like to them in order to feed that back to the business. This way the business didn't have expectations for how they were responding or how quickly an internal person was responding because they really want customers to help each other answer questions. They wanted to feed back to the business what their expectations were vs. how they were behaving, which aren't all in the metrics dashboard. This helped them to frame up some metrics to know, for example, that a customer can wait up to 48 hours and still feel like they are being well taken care of.
- Kelly asked Keri for her elevator pitch for why "people first" is an important strategy. Keri reverted back to the Founder's philosophy. When you take care of the people, the people take care of the business. This philosophy has proven business value:
 - Employees feel very cared for and they work hard to pay it back to the Company.
 - There is tremendous loyalty and a 94% retention rate.
 - Furthermore, 35% of employees come to the Company from referrals.
 - They have a 96% customer retention rate.

ADDITIONAL INSIGHTS

- Kelly asked participants to describe what “people first” means to them:
 - Keeping in mind the user’s perspective. The goal is to always ensure that the employee has a good experience when using the tool.
 - Depends on the context. With customers, it’s always putting them first and ensuring that they are connected. With this participant’s personal network, he thinks of community managers, building relationships with them and connecting in a real way rather than just digitally.
 - Another participant works with an internal community. For her, “people first” means always keeping users in mind and providing them with an efficient, effective and pleasant user experience.
 - Remembering that a human being is a human being before any of their other identifying characteristics. So, the dignity of every person comes before anything else.
 - To prioritize people and relationships over content and technology.
 - One participant lives by the thought that behind every online thread is someone’s story about his/her experience/relationship with the company’s products and services. The community manager is the caretaker of those stories. The priority, therefore, is the customer-facing experience first.