

Boost Revenues and Profits with the Right Firm Culture: Ralph Strayhorn Leads with the Goal of Creating Consensus

By Emmy Lou J. Burchette, President & CEO, Burchette & Associates

Ralph Strayhorn believes his firm's culture will be a keystone for success in the coming decade. Strayhorn is an accomplished leader in the financial services industry. Today, he is focused on building a successful and innovative wealth management and investment solutions firm.

Emmy Lou Burchette talked with Strayhorn about the rewards of building a partnership culture and why he believes that approach is critical to the long-term success of the firm.

You have said that creating a partnership culture is essential for achieving New Republic Partners' goals. How would you describe the partnership culture you have in mind?

My principal focus for building our firm's culture is on alignment of behaviors and beliefs, both cultural and financial. Our goals, outcomes and methods need to be in sync across our professionals, our shareholders, our board of directors, our board of advisors—and for this firm, our clients. That alignment will drive behaviors that create the financial outcomes we desire and the results our clients come to us for.

We have structured the organization so that most of our talented professionals are owners with skin in the game, giving them meaningful compensation tied to the success of the firm as a whole and not driven by single-player performance.

Why is having a partnership culture important? What happens if it's not there?

This approach is not just important, it is critical, because it has the power to take 1 + 1 and achieve 11. Without it, you have merely an assemblage of talented independent professionals with no discernible common goals and objectives. You would also run the risk of competing behaviors that could have negative impacts on growth, revenues and profits.

The firm's culture also serves as an important message to clients about the alignment of their interests with that of our team. A bedrock principle of our firm is one of mutual success, with the freedom for customization around individual points of interest.

We hear from clients a strong desire to work with an investment management firm that is driven by a clear purpose and where solutions are aligned with client-specific goals. Our consensus-driven partnership culture supports the achievement of both of those key drivers.

I expect active listening skills are necessary to allow you to benefit from different perspectives and schools of thought. How do you approach that?

Listening is one of the most important elements in creating and building this kind of culture. The behavior has to be active, apparent and an ingrained daily practice, not just something we write down on a plan.

We can all learn from each other—different perspectives, varied experiences and a broad spectrum of expertise lead us to the best decisions.

This approach requires us to be willing to stop and consider new factors before proceeding in a planned direction. Part of my role is to make sure we take that time and consider competing ideas.

Your firm has a lot of top talent. How do you deal with defensiveness and ego?

Everyone on the firm's leadership team makes it a priority to treat others at the firm with respect. Our hope is that we model the behavior our team members will adopt. And, we are lucky because we are building this team from scratch and we can select talented professionals who understand, buy into and support a partnership culture.

By having a shared vision and shared goals, there is a lot of momentum toward reaching agreement. Ego is allowable, as long as it supports the ultimate goal of attaining good results for everyone.

How can a CEO or other C-suite leader help every employee be heard, and find points of agreement to lead to consensus?

You must continuously engage your colleagues in dialogue with the goal of listening to what, when, and in what context something is said, as well as requesting honest feedback without one's colleagues fearing retribution.

It's key to genuinely express your willingness to have an open discussion. And then to allow that discussion to occur, without negative outcomes.

If everyone is given a chance to express their opinion and beliefs about a topic, we all benefit, and nine times out of ten, we make a better decision.

That does not mean everyone gets their way. Our goal is to reach a consensus that everyone can support.

Following up on that thought about building consensus, how do leaders benefit if they put in the work to create a partnership culture?

Access to the best unabridged thinking of one's colleagues without filters provides a leader with invaluable input into short and long-term decisions. Even if this thinking is not accepted or acted upon, a leader needs to constantly acknowledge the value to the firm and the leader's decision-making process

The firm overall gains by benefitting from a wide range of ideas and experiences that no one person brings to the table. You also avoid expenses derived from competing activities that derail the most profitable path.

The process of founding New Republic Partners is a good case study for this concept. Our leadership group spent the better part of a year talking to and listening to a lot of key stakeholders—from potential investors to other professionals we wanted to become involved with the firm. We explored and discussed a lot of different ideas and approaches—there were a lot of divergent paths to consider.

But what made the end concept a success was that we did explore those alternatives, and we listened and learned from a lot of people. And I believe everyone felt good about the process because they saw the merit of the outcomes.

Another key point is that when the outcome results in something positive for everyone on the team, then giving up an idea or approach doesn't mean that has to be a negative for an individual.



New Republic Partners is a firm that has attracted experienced talent from a lot of different companies. With that inevitably comes a broad range of expertise and experiences. That’s a strength, but can also be a challenge. How do you create the culture for New Republic Partners with this broad array of thought leaders?

We have been intentional about hiring people with different backgrounds and areas of expertise. Our belief is that the combination of diverse talent and perspectives leads to the best outcomes. In essence, the leader benefits from the broader view and would be negligent not to listen to and consider varied opinions for the benefit of the firm and its stakeholders.

You have to begin with a core set of beliefs and ideas for the endeavor. If new talent believe in your vision and buy into the desired outcomes of your long-term plan, then a leader can build from that foundation. This is an iterative long-term process, not something you accomplish in a few months.

How does this cultural element extend to the board of directors and board of advisors? To clients?

Since New Republic Partners was founded with this partnership culture in mind, the alignment extends to all stakeholders—firm professionals, board members, investors and clients.

Each stakeholder group, as well as individuals, brings different perspectives and interests. This means we must always try to see and analyze issues from the other person’s perspectives.



I find that the dialogue with all of our stakeholders has been valuable and rewarding in terms of ideas and outcomes.

My belief is that firms that focus on the right culture for their goals will be more competitive, and ultimately, more successful.

Ralph Strayhorn is the chairman and chief executive officer of New Republic Partners, an investment management and wealth advisory firm headquartered in Charlotte, North Carolina. He brings decades of experience and expertise in leadership roles at a number of financial institutions.

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