

# Not Drowning, Waving.

## A Stunning Case of Bad, Better, BEST!

When Michael Lucas took the helm of the Across the Waves Sports Club, he was just 26. He inherited annual losses of \$89,000, \$3.5 million debt (at 13% fixed rates) and a workforce that was down for the count. For the next few years he used his own methods to engineer an amazing turnaround. Within five years, membership had tripled, profit was nudging \$1 million, EBIT was 15%, the club had won 'Best Queensland Sports Club' twice and Michael had been voted 'Best Queensland Manager'. No-one could argue that this was a hard act to follow.

But then, just as Michael began to worry about hitting a plateau of achievement, he encountered a 'weird' little book that breathed new life into his approach, made him an even better manager and took Across the Waves' success to a whole new level.

## Turning the Ship Around

When Michael arrived, all the staff knew the club was struggling – almost a walk-away concern. Some weeks the managers went without wages and had to raid the ATM to pay the others. The first thing Michael did was to listen to those with wisdom to offer and to stem the flow of expenses. Next he set up monthly barbecues to give his team a forum and to show he intended to make the culture more positive. Instead of focusing on doom and gloom, every little triumph was acknowledged. Thirteen barbecues later, there was indeed something to celebrate, as the club enjoyed a modest profit of \$100,000.

The staff began to feel less worried and a bit safer. Encouraged, Michael hit his stride and grew the business by 25% per annum for the next four years. Much of this was achieved by focussing on service levels, since the club's facilities were virtually identical to the competition's. The more he empowered his staff, the more they repaid his trust such that 'the majority of our success came from the ideas of our team.'

The only downside to this rate of success was Michael's fear that he couldn't sustain it. He became fixated on the bottom line and increasingly critical of little things.

## How to Sustain 25% Annual Growth?

When Michael's mate John Ahearn (a Spirit Training Coach) dropped by to say g'day in mid February, Michael was not having fun. A smashed glass door, a crashed car and a fused alarm system were just three of the day's disasters. John gave Michael a copy of Dr Paddi Lund's *Building the Happiness Centred Business*. While not at all in the mood for the story of a crazy dentist, Michael read it that night in an hour and a half and found the philosophy very close to his own.

‘I saw the *Spirit Training System* as a way to fix the problems I’d always dreaded – naturally and simply. I knew there was always some backstabbing, jealousy, unfounded opinions and disharmony in any business, but I had no idea where to start fixing them. These were aspects of the job I said I’d get around to one day – hoping that day would never come.’

What Michael didn’t realise was that these things he was leaving until last were the very ones that were preventing his club from operating beyond the level of success he was wondering how to maintain. Despite his affinity with the *Spirit Training System*, he was coy about mentioning it to his managers for fear they’d think him ‘mad or soft’. But when he trusted his instincts, he was surprised that even his toughest critics rapidly embraced the ideas.

### **30% Growth in 16 Weeks!**

Michael invited John Ahern back to present a workshop for his managers. Their enthusiasm was so great that ‘the staff wondered if we were on drugs!’ Cooperation increased and work became easier, prompting Michael to let John coach the rest of his team. After the first series of training programs (during which Paddi Lund himself addressed the staff) the club experienced 30% bottom line growth in just 16 weeks!

While the reaction and results were excellent, the system was not everyone’s cup of tea. A handful of staff canned the initiative and refused to cooperate - but didn’t resign. Swept along by the energy of their colleagues, even they unwittingly became more polite, positive and objective as time passed.

‘New ideas were coming from everywhere, people were encouraging each other and chronic systems problems were being solved. The positive activity and rising happiness levels paved the way for improved business performance.’ Michael and his managers began recruiting people based on their ability to fit into a happiness-oriented environment, rather than on their qualifications and experience. When the directors inquired about the club’s rising spirit, they too received a visit from John Ahern and were similarly impressed.

### **Becoming More Human**

By his own admission, Michael had never been good at praising his people. More prone to find ‘the one thing they’d done wrong rather than the 99 being done right’, he was a frequent complainer who often took his bad moods home.

In addition to teaching him about a few more critical systems, the *Spirit Training System* helped him become a much more approachable, likeable and human manager. Instead of focussing 100% on the bottom line, he now spends at least half his time making his staff happy. Systems have replaced ‘ad hococracy’ and when things go wrong, it’s the system, not the person, that cops the criticism.

Nor is Michael the only one acquiring social graces. In noting that his younger staff are learning to treat customers and colleagues with courtesy, he says ‘it’s nice to watch them get a few social skills and to say “please” and “thank you”, because it isn’t being taught at home enough now, I think.’

Now he enjoys work more. Profits are way up and coming more easily. His people know precisely what's expected of them and are loving their work and pulling as one. Turnover is one third of the industry average (even in the notoriously hi-churn casual areas) as the club attracts better applicants by being Bundaberg's employer of choice.

## Latest News

Not long ago, Michael decided the club could use another happiness injection, but wasn't sure whether the program would have the same impact or even interest his team again.

He needn't have worried. After Spirit Training returned for one more round of training, the response was again amazing. According to Michael, 'they're getting more out of the program this time than ever before. The spirit is way up and the club has been taken to yet another level of excitement. Not only is our bottom line up again, everyone is happier and even reporting that their home lives are better.'

Across the Waves is dedicated to funding sports, enhancing social activities and strengthening the community of Bundaberg. Michael is particularly pleased that his people are taking the Communication Tools of the *Courtesy System* home to their families with noticeable success – especially among the kids. That's what he calls 'giving back to the community!'

The club is now perfectly placed for its planned relocation to a brand new 20 hectare site, where it will enjoy facilities to match its superior morale and service levels.

## Conclusion

This case study demonstrates what we all know to be true: if you invest in people the right way, the returns are exponential. As Michael Lucas reflects on his time at Across the Waves, his only regret is that he didn't read [Building the Happiness Centred Business](#) sooner. Still, better late than never. His recommendation to others is characteristically frank: 'If you think the title of the book is weird, let my story be a testament to you. This stuff works if it's implemented properly, and it has certainly changed people's lives around here. We're only alive for a short time and we spend a large percentage of our lives working. I now place an enormous value on this time and it's great to have a system where we can have plenty of fun working and playing.'

## Final Word

The first holiday season after implementing the *Courtesy System*, every single one of Across the Waves' 82 staff attended that year's Christmas party (that's 100% of the team up from the previous year's record of 60%). Ask anyone who organises events like this and they'll tell you that's a truly amazing result.

If you'd like to explore how the *Communication Tools* of the *Courtesy System* could transform your business, [contact](#) our Chief Facilitator, Fletcher Potanin, or visit [www.PaddiLund.com](http://www.PaddiLund.com) and [www.SpiritTraining.com.au](http://www.SpiritTraining.com.au) for more.

A 30-40% lift in productivity are common. Imagine what you could do with that much more time and energy focused on improvement, compounded over time?