Great founders start businesses not to create a company but to solve a problem, to serve a calling, and to understand that they have a purpose that can actually make a meaningful difference. But of course, they also want their businesses to survive – and thrive – after they've moved on.

Great performance can never come without great people and culture, and the opposite is also true – great people and culture are affiliated most with high-performing organizations. We can argue over which drives the other. But there is one undeniable truth: when a company is in its earliest days – when there is no performance or numbers to speak of – the key differentiators are the team, their purpose, and their culture. The team is the company's raw DNA, the purpose their religion, and culture their unique way of operating based on common principles, norms, and values. Like aiming a rocket ship into orbit, if you get this wrong from the start, your trajectory will only get worse over time.

After some two decades of launching, building, and operating some of my own businesses to both meaningful failure and meaningful success, I've observed some important principles for building and scaling a culture that can live beyond a set of founders to become a lasting institution. I'm certain there are other key things to do regarding culture and variations on the themes I set forth below, but here are my top six immutable laws of building and scaling great culture:

Start with purpose. I learned this from my partner Mats Lederhausen who has had a string of great business and culture-building successes as the former Chairman of Chipotle, Chairman of Roti, and co-founder of Redbox. The common theme he sees is that you need to begin by understanding your "why" — from the inside out. This is about mission, not marketing. What calling does your business serve? This should feel authentic, inspirational, and aspirational. The companies with strong purpose are the ones we tend to love best because they feel different – Chipotle, Pret a Manger, Ikea, Container Store, or Apple to name a few. Whether it's trying to just offer better food, or democratize great design, the cause behind the brand is clear.

Define common language, values, and standards. A great mentor of mine, Tsun-yan Hsieh, was one of the foremost leaders at McKinsey. Over 30 years, he shaped a large part of its people development program, and taught me the framework of "common values and common standards." Great cultures need a common language that allows people to actually understand each other: first, a common set of values, which are the evergreen principles of the firm, and second, a common set of standards by which a business will measure how they're upholding those principles. For example, if you have mentorship as a stated value, then you must consider how you define it and how to measure it. Will it mean that you expect employees to follow a certain promotion path and career timeline? Does it mean that you will hold internal 360s that determine mentorship scores, and tie those scores to people's bonuses? Or will you create go further, and only promote the people who develop others? Only when you have common language, common values, and common standards can you have a cohesive culture.

Lead by example. Leaders must reflect the firm's values and standards. They must be the strongest representations of the firm's culture and purpose, not just writing or memorizing the mission statement, but rather internalizing and exemplifying what the company stands for. Again, a few examples bring this to life: do people feel that a Richard Branson lives the Virgin way of spirited fun when he makes daredevil entrances or entertains on his island? Do people have any doubt that John Mackey of Whole Foods approaches food with a greater consciousness about its quality and provenance? These types of leaders have not just an incredible passion and work ethic for what they do, but a cultural ethic in that how they do what they do inspires others.

Embrace your frontline cultural ambassadors. Every organization I've worked with has people throughout the employee base who are unsung heroes of brand and cultural ambassadorship. These are people who love the company and its core purpose. They are your best cultural cheerleaders. They may be the folks on the shop floor trying to solve a product issue, an assistant talking to countless stakeholders, an analyst crunching the numbers, a customer service rep empathetically talking with customers, or a mid-level manager developing other people every day. When they tell friends and family about where they work, they don't talk about a workplace but a work story, with a voice that comes from the heart. You know them when you see them, but as a company grows, it can take more effort to identify them. Do you know who these people are? Have you rewarded them and thanked them? At a time when outsourcing functions such as customer service or automating checkout procedures are becoming more common, the role of frontline cultural ambassadors does not diminish, but rather disproportionately increases and can become a real competitive advantage.

Seek, speak, and act with truth. Arguably self-awareness and truth-seeking are a subset of one's values (point number 2), but I would argue that self-awareness and truth-seeking are so important that they should be on every company's list of values. Some call this integrity, but truth seeking and self-awareness are slightly different. If integrity is best described by C.S. Lewis as "doing the right thing, even when nobody is watching," then truth-seeking and self-awareness are about having the ability to be completely honest about your own strengths, weaknesses, and biases. In an authentic and strong culture this applies not only to the leadership team, but every single employee. Such self-awareness and truth-seeking is easy to

lose, and hard to win back. When cultures are failing, there are usually root causes that can rarely be fixed quickly. During these times, people want to flip a light switch and — ta da! – see that the culture is fixed. Unfortunately, building, evolving and transforming cultures takes both time and hard work.

Be greedy with your human capital – then treat them right. The mantra at our own firm is that in the end it's always about people and character. When recruiting folks, spend more time screening for character than you do screening for skill. While skills can be learned, it is much harder to cultivate attitude and character. This practice, known as "hire for attitude and train for skill," was pioneered by Southwest about 40 years ago, helping to explain its track record as an admired, purpose-driven company. There is no doubt that over time, institutional character and culture is the simple by-product of individual people. Whether you are hiring based on competency or character, remember that A's will always attract other A's — but B's will attract C's. Bottom-line: be super greedy with the talent you bring in to make sure you get the A players. Compromising on talent that is good enough but not necessarily the best you think you can get, especially in pivotal job roles, is a sure formula to short-circuit your own culture and long-term performance. Once you've hired the right people, treat them right. The best long-term retention strategy is to mentor people toward meaningful roles. I've found that what matters more than any extrinsic rewards — like compensation and title — is pushing and developing people towards their full potential.

In business, we often overweight the "what" of the business and underweight the "how" and "why." But it is the "how" and "why" that form both the soul and character of business — what employees feel when they come to work, and what customers feel when they do business with you. If you're lucky enough to hit upon the right culture, do everything you can to preserve and scale it. If you can do that, then you can have a chance of not just growing a successful business, but of building a business that will survive long after you're gone.

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