

Trust-and-Track

A New Approach
to Small
Business Success

Nick Sarillo

We all know bosses who adopt a rigid, rule-bound, command-and-control approach to management. But do we love them? Will we move heaven and earth to achieve superior performance for them and the company? Will we put our heart into our work even when these bosses don't happen to be standing over us?

My two Nick's Pizza and Pub restaurants in suburban Chicago are among the top ten busiest independent pizza chains in the United States, as measured in per-unit sales. Our margins are often twice those of the average pizza joint, while employee turnover is less than 20% per year in an industry that averages 150%. My employees do love to come to work—and it shows, each and every day.

I didn't get numbers like that or the love of my employees by dictating their every behavior, insisting things be done my way, and punishing them when they go astray. You won't find any surveillance cameras in my restaurants—though many people tried to sell me them when I first opened, and friends and associates told me I needed them. You sometimes won't even find a manager supervising our team members during a shift. (Yes, you read that right, no managers!) What you will find is a culture of trust in which everyone—from the most junior team-member on up—strives every day to do their very best, and has fun doing it.

The few managers we do employ at Nick's focus their energies not on policing our team members, but coaching them on how to perform the behaviors we want while putting their own, unique stamp on it. In general, I give employees the skills, knowledge, and tools to succeed, *trusting them* to work to the best of their ability. At the same time, I constantly *track* performance, providing positive feedback designed to nourish growth and development.

Large companies like Starbucks or Zappos have received attention for building trust-based cultures that empower employees, generating loyalty and stronger performance. Yet small companies can build impressive cultures, too. If you can weed out the old, habitual command-and-control style of leadership and replace it with strong educational programs and processes, you'll find over time that trusting in your workforce really does work.

If I can stop policing my workforce of sixteen and seventeen year-olds—not normally considered the most motivated and trustworthy of employees—and achieve world-class results, just think what you can accomplish in your business.

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The Origins of Trust-and-Track

I wish I could say that I coined the phrase “trust-and-track.” In fact, Bo Burlingham, editor of *Inc. Magazine* and author of the book *Small Giants* came up with the phrase a couple of years ago while touring one of our restaurants. Bo had stopped by to do a story about our unique culture, and as he was wrapping up his interview he remarked on my tendency to share the “why” of what we needed to do with individual team members and then let the individual (with great training to support them) go get the results we wanted.

“That just requires a ton of trust,” Bo said. “But you’re also tracking your employees’ performance, improving their skill-sets when they make mistakes. Trust-and-track—that’s what you’re doing.” At that moment, something clicked for me, and I realized that “trust-and-track” captured so much of what I had been trying to accomplish at my company for the past fifteen years.

I had always shied away from a traditional, command-and-control mindset. As a kid working summers at my dad’s local aluminum siding and pizza businesses, I had seen him being a command-and-control kind of boss, and I didn’t like it. He barked out orders and then ripped into employees when they failed to meet his expectations. Fearing that employees were trying to take advantage of him, he monitored them closely and kept anything important to the business under his close control.

Sure, he could be big-hearted and generous in rewarding loyal employees, but because he behaved like a cop and didn’t do much to affirm his employees, he usually failed to inspire them. Not surprisingly, performance lagged (unless he was right there standing over people).

I will admit, fighting the impulse to control every little thing was scary at first. During the first year we were open, I decided to let someone else besides me slice the beef for our famous Italian beef sandwiches, a key item on our menu. Three days into it, the team member made a mistake, slicing the beef too thick.

I might have ended my experiment with trusting-and-tracking right then, except that I had noticed something: Because I had entrusted my team member with an important task, he had taken great personal pride in the work. I could see it in his body language when he sliced—how fast he moved when he needed to, and then how he slowed down at just the right time to check a detail.

I knew I was on to something; I just needed to be more thorough in the training I gave. I improved the training, and sure enough, the beef slicing improved—without me having to revert to the old cop mentality.

It has been like that ever since. Beef slicing, bartending, waiting tables, even management tasks—I've trusted them all to my team members, giving them space to grow into their roles and develop their own styles, while also providing intensive, ongoing training and coaching and monitoring them to help them move beyond where they already are.

Unleashing Individuality

At the core of trust-and-track is an optimistic belief about people. I have always believed that if you trained people right and took care of them, they would do the right thing for both themselves *and* the business.

People don't naturally wake up in the morning and say to themselves, "I'm going to sleepwalk through work and disappoint and betray my bosses today" (although they may do just that if they hate their jobs). If we can create positive cultures that promote their desires and personalities, they will wake up hoping to do something meaningful.

Today, after seventeen years in business, I have come to understand exactly why trust-and-track works better.

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Consider one of our high school-aged cooks, Big Dan, who also works part-time at another well-known local sandwich restaurant. "I love working for you, Nick," Dan told me. "I just wish I could quit my other job." When I asked him to elaborate, he said, "They stand over you all day long. If you make a mistake, they stand over you even more waiting for you to make another mistake, which just makes me even more nervous and likely to screw up."

I asked him to elaborate further, and this is what he told me:

They are super busy, so it is just one burger after another, and they don't even let you move from one spot, even if you need a drink of water. It has me feeling so stressed, I can't wait for my shift to end, and I dread going to work. We are treated like machines on the sandwich line, and although customers think they have a quality product, we employees don't care. If there was a short cut, we would take it, and if there was a way to get away with something behind the manager's back, we would be all over it. The worst part is the manager would be chomping on gum in my ear, and we aren't allowed to have gum while we are working. I like cooking and I enjoy the pressure of a crazy lunch or dinner rush, but they take the fun out of it. There were times where I thought I had a better idea for how do something, but I was afraid to say anything. If I had said something, it would have just made the cop managers look better and probably get an even bigger bonus. What's the point of that?

Dan was training to achieve certification in our sandwich line at the time. Just before we spoke, I had found him focusing intently on his work, multi-tasking to handle the details of each order he had in front of him. After only two months with us, he had already established himself as an energetic, happy, engaged team member. What was the difference? "It's all about the attitude here," he told me.

At Nick's, I don't feel like I'm working at an ordinary job. I feel like I'm learning and growing as a person. You guys don't stand over us—you trust us to be ourselves, and that makes us believe in ourselves. Of course, we screw up, but we have the freedom here to learn from our mistakes—and we do learn. I feel the sky's the limit. Yes, I have to get the basics right, but it's up to me exactly how to do that. I can make jokes on the job or organize the counter the way that works best for me. When I think of a way to do something better, I want to speak up, because you guys make it clear that we're *supposed* to be ourselves on the job.

Trust-and-track works because it unleashes the intrinsic motivation of team members. Team members feel like they're growing on *their* terms, so they *want* to do their best, and they come to love their job and their workplace. They feel inspired and motivated to go the extra mile, whether that means providing superior customer service or piping up with a suggestion for an innovation.

Most critically, team members feel free to perform their jobs in their own unique ways. I've found that culture in a small business setting comes to life most completely when work becomes a form of self-expression, and when team members are given a measure of freedom to behave spontaneously and in an unscripted way. That might mean greeting customers in a certain way, wearing their hair in a certain style, or finding their own way to perform a given task. Self-expression is not going to happen in a command-and-control environment in which the company dictates everything employees do and trains them to behave like everyone else.

It might seem that trusting employees enough to be themselves will sow chaos, but we've found that—far from disrupting our operations—spontaneous, unpredictable, unscripted behavior enables our team to outperform expectations and arrive at solutions we never thought of. That's because we're allowing an individual's genius to emerge in its own way. If we don't open the door to unscripted behavior, even behavior I personally wouldn't adopt, everybody's performance merely conforms to the level of our best manager rather than being the best it can be for each employee individual.

Unscripted behavior creates a high-performance culture by leveraging the entire team's talents in support of the overall purpose. In letting go of some control—the “trust” part of trust-and-track—you unleash your workforce's natural passion and allow great things to happen.

Behind the Numbers

Let's make this more real. When our team member Kyle was only nineteen, he came up with an idea for a new product called Beer Nuggets. Kyle worked in our Heart of House, and he realized that we were throwing away a lot of scraps of dough. Because of trust-and-track, he felt free—and also motivated—to suggest frying up these scraps, putting on some garlic salt and parmesan cheese, and serving them with olive oil or red sauce. “Sounds good,” I said, “but you'll need to figure out portion size, pricing, and all that fun stuff.”

Kyle went away and did exactly that, with no help from me. Today, we sell an eight-ounce portion of beer nuggets for \$4.50. In 2010 we sold more than \$21,000 of beer nuggets in our two restaurants, made with food we used to throw away. Here we have an innovation coming from a nineteen-year-old who dreamed up something that the forty-eight-year-old founder hadn't thought of, all because he was encouraged to think and behave like a leader.

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We benefit day in, day out from trust-and-track because we have people willing—indeed, inspired—to go the extra mile. On slow days our hosts volunteer to draw up signs and go out on the street corner, inviting motorists to “come on into Nick’s.” Servers and managers, upon hearing of a guest’s house that had burned down, spontaneously pull together to bring them food. Ultimately, training people to operate well under trust-and-track is tantamount to training them to be their own leaders. You’re training them to be as proactive and aggressive as you are in driving the business—because they want to be.

The effects of individuality unleashed have shown up with special clarity when it comes to customer service. Some of our best servers have been our quirkiest, most individual team members—people who we’ve given an unusual measure of freedom to to be themselves.

Georgie was a short, stocky Italian-American in her late thirties—think Laverne on the show *Laverne and Shirley*. You knew immediately when she was in the house because you could hear her laughter and her friendly, high-pitched voice. Visually she stuck out, too, with no fewer than thirteen earrings in her ears, a comparable number of rings on her fingers, and tattoos. Georgie loved coming to work and took the time to chat and share stories with customers—not merely do the bare minimum. Customers loved her, too, as evidenced by the \$500 tip one couple left her in 2003. We’ve had tips of as much as \$1000—and not just once.

Finally, trust-and-track helps with that tricky problem of succession planning. At Nick’s, we don’t have a hard time recruiting a high quality workforce—team members are so enthusiastic that they spread the word among friends and family. But because of trust-and-track, and our intense focus on training, we’re also always developing our next crop of leaders. A great example is twenty-six year-old Jenny, who bears profit and loss responsibility for one of our \$3 million restaurants. Jenny started at Nick’s when she was only sixteen and worked her way up. She left Nick’s to go to college but wound up coming back after graduating and working for a year at a jewelry store. “I saw for myself that there was no place quite like Nick’s,” she said.

Diligent in her follow through, Jenny outperforms almost everyone in our company, contributing more profit to the bottom line than even the experienced industry professional I'd brought in to help oversee our operations.

If you focus on helping others grow, instead of merely policing them, they'll be around to help you grow, too.

A School Masquerading As A Company

Trust-and-track can't be just a bunch of high-minded words. You must do what I did and embed it in the daily operations of your company; specifically, you must make training a vital part of the on-the-job experience. Sound prohibitively expensive? It does involve some investment, but you'd be surprised what you can do on your own, and in our case, with the assistance of an outside consultant who coached us through it. Tools we've adapted as part of trust-and-track include:

- **Operations cards** that break down specific tasks for teammates so that they're done in ways consistent with our purpose. These cards specify parts of the task that every teammate must do and other parts that can be done in the way the teammate prefers. With these cards in place, I don't have to be there shouting directions all the time—teammates know exactly what to do.

- **Problem solving processes** that encourages teammates to filter all solutions to a given issue through the prism of our purpose and values. Although some issues do require my personal intervention, many don't, and these can be handled by team members on their own.
- **Feedback processes** that encourage supervisors to coach in the moment, so that team members understand immediately whether a given behavior is on or off purpose. The objective here is not to call out "bad" behavior or violations of the rules, but rather to make the most of mistakes as learning opportunities.
- **A training and coaching program** that rigorously schools team members not merely in specific tasks, but in communications tools they need to perform well both on the job and as people. Training systems aren't just for big companies. We designed our program in-house and have gradually expanded it over the years to meet our needs.
- **A system of advancement** based not on seniority per se, but on participation in our extensive training program. In our system, all raises and promotions are contingent upon performing well and being certified in a certain number of roles or positions around the company, encouraging team members to learn and master new skills, and in general fostering a culture of learning.

→ **Open books, fiscal huddles, and forecasting tools** that involve team members and cultivate ownership in the business. As a company, we trust people with the numbers, because we know that the best decisions sometimes come from the ground up, and the best way to create business-savvy team members is to expose them to the financials. I even make my own salary publicly known.

These are just a few of the tools and structures that follow from and embody the trust-and-track philosophy at Nick's. Overall, training, coaching, and development is so deeply embedded at Nick's that our company has essentially become a school masquerading as a company. Ironically, by approaching our operations primarily as an education process, we wind up functioning that much better as a company.

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I want to emphasize that these tools don't merely allow team members space to perform at their discretion; they also track their performance. What good is a school if there are no grades or other formal mechanisms to measure growth and hold students accountable for it? Trusting without tracking becomes mere "Trust and Hope"—unrealistic as a way to run a business. Our managers are all trained in techniques for observing and assessing team members' progress, and they're also trained in how to have discussions about performance. Our training programs are all progressive, meaning that team members must be observed and "certified" before they can move on to the next level.

Open books allows us to hold even senior managers accountable for their own goals. As the owner, I take care to model the behaviors I want to see, enabling even junior team members to "track" my progress and call me on it when I'm not delivering against my own goals.

A New Leadership Philosophy

This brings me to my final point: trust-and-track isn't simply a methodology or a set of tools, but a leadership philosophy. Trust-and-track begins and ends with the leader's resolution to break ingrained habits, avoid the impulse to control others' behavior, and commit him or herself to coaching others, so that they can grow.

Learning to trust-and-track is hard work. As a leader, I have to accept that people will diverge from my preconceived notions of how to perform particular jobs. On one occasion, two of our hosts developed an impromptu comedy show while fooling around on the microphone. Not quite what I had in mind, but hey, it conformed to our company's purpose and values, so how could I shut it down? We also have servers who have become good friends with older couples who frequent our restaurants, so much so that they pay visits to these guests in their homes. That, too, would feel strange to someone like me, since I am more private. But again, accepting that discomfort is part of the challenge of trusting people and inviting them to be themselves.

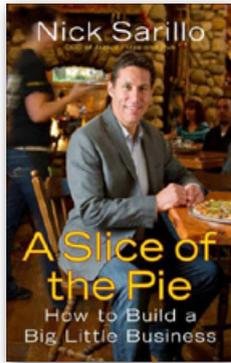
In embedding trust-and-track into a small business, one of the leader's most important jobs is to make sure that command-and-control doesn't seep in through the back door. One of our young managers, Stephanie, was "telling" employees what to do next just about every step of the way. With a clipboard at her side, she riddled off orders and required employees to get permission from her before leaving. Nothing screams out command-and-control like a clipboard in the hand of a manager hovering over each employee until they finish their task. The culture of Stephanie's shifts was one of approval—checking every little thing and not cultivating leadership within the team. Not surprisingly, our operations were suffering, and it was showing up in the numbers. As leader, I coached Stephanie on how to relinquish a measure of control and coach employees better. The operational improvements followed in due course.

As my experience at Nick's proves, you don't need to be a big company in order to enjoy a world-class culture of higher performance. Trust-and-track is not the conventional path, nor necessarily the easiest one, but it's the higher path—the one worth following. It's also, in the long term, the most profitable path for small businesses like mine. Trust-and-track requires investment, but the benefits are incredible: Happier employees, more innovation, a sense of dynamism, lower attrition, more satisfied customers, and ultimately, better financial results than you could ever hope to achieve under a command-and-control culture.

Think of it this way: Virtually anybody around the world can now produce a product cheaply and with pretty decent quality. It's becoming increasingly difficult to compete on price and product alone. Breakout success rests on our ability to tap the hidden potential of the unique individuals who make up our workforce. That's where command-and-control falls flat—and where trust-and-track excels.

So give up the policeman's role. Stop looking over the shoulders of your employees. Loosen up a little. Become a coach. Keep the focus on learning and growth, tracking performance not for the sake of clubbing teammates on the head with their disappointing performance, but of helping them go beyond their current performance levels. **Take it from me, the pizza guy: trust-and-track is a business approach that truly delivers.** 🍕

Info



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ABOUT THE AUTHOR | Nick Sarillo is the founder and CEO of Nick's Pizza & Pub, the sixth busiest independent pizza company in per-store sales in the United States. He has been profiled in *Inc.* and *Newsweek*, and on the NBC Nightly News. He lives in Crystal Lake, Illinois. Learn more about Nick's at www.nicksarillo.com.

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