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4 Keys to Pivoting Away from Survival Mode and Back to BIG Growth

Steve Sanduski: Some of the most successful companies have been started in the heart of a recession. And today's guest is a perfect example of that. He co founded his company in 2008, with a \$160,000 investment. And today the company employs over 10,000 caregivers and is on track to do over \$115 million in revenue this year. Hi, everybody. Welcome to the CEO Coaching International Podcast. I'm your host, Steve Sanduski. And my guest today is Ryan Iwamoto. Ryan is the president, and co-founder of 24 Hour Home Care. Now his company has been on the Inc. 5,000 list of the fastest growing companies for eight consecutive years. And in 2017, Ryan won the EY entrepreneur of the year for Los Angeles. And in today's show, we discuss four key strategies he and his company employed during the pandemic that have kept his company on a fast growth path, despite being in an industry that has been hard hit by this crisis. With that, please enjoy my conversation with Ryan Iwamoto. Ryan, welcome to the show.

Ryan Iwamoto: Thank you so much, Steve. I'm glad to be here and honored to be a guest.

Steve Sanduski: Yeah, well, we appreciate you taking some time to be here on the show. I know the particular business and industry that you're in was, and is hit hard by the pandemic. So why don't you tell us a little bit about your business and the impact that this pandemic has had on it?

Ryan Iwamoto: Yeah. Well, thanks Steve. So, yeah, our company, we provide in home care services for seniors and adults and children with developmental disabilities. And as you can imagine, during the pandemic, people were scared. A lot of people closed their doors and didn't want to have anyone inside their homes that they didn't know. So yeah, it, it really hit our industry hard and hit our company very hard. But I think there's really four things that have stood out for us that were really beneficial for our company and really think could be beneficial for your audience to hear that we did during the pandemic. That was a positive.

Steve Sanduski: Yeah. Well, let's go into that, because one of the things we've been doing here in some of our recent episodes is just talking about companies that had to adapt

during this period here with the pandemic. As we know, some companies were just massively hit with this, where essentially they lost a hundred percent of the revenue because they just had to shut their doors. Other companies actually have done really well because of the business that they're in, became in high demand as a result of the crisis year. So, yeah. So let's talk about what are some of these things that you did once you realized that this was going to be an issue? So, tell us, when did you realize that this was going to be an issue? Was it a government mandate, or what was the point where you said, "Oh my gosh, this is a problem. We got to do something"?

Ryan Iwamoto: Yeah, I think early March, we started to really feel it. I think the NBA shut down and some other sports started to shut down. I think that really started to get on our radar and especially providing such an intimate service as in home care, we knew that this was going to impact are not only our clients, but also our caregivers and our employee staff. So, I would say early on, it was definitely on our radar.

Steve Sanduski: Okay. And then what states are you doing business in?

Ryan Iwamoto: Yeah, so we're in California, Texas and Arizona. So three that have all been hit pretty hard with the pandemic.

Steve Sanduski: Okay. All right. So what was the first thing once you realized this is going to be an issue? What was the first thing that was on your radar?

Ryan Iwamoto: Well, I think what really came clear pretty quickly was that we did not want to wait to take action. And sometimes the CEOs and leaders almost to a fault we want to ensure that we know every decision, we're in charge of every decision and that every decision is correct. And sometimes we can fall into the trap of waiting to have all the answers and especially during a crisis where there's a lot of uncertainty and a lot of imperfect information out there. I think the need for precision and correctness to make the right choices sometimes can consume us. But again, what I've learned during the crisis is that sometimes it allows you to make bold decisions and actions that you wouldn't have taken during normal quote unquote blue skies. And one of the things that I remember that we had to make this decision was going remote and Steve never in my wildest dreams, would I think that our business or company can operate remotely.

We have about 200 plus employees working in the offices and our business was just never really built for it. We have the desktop computers, the large desktop computers with multiple monitors. We had the hard-line phones and we constantly use the conference room. So just never thought that we could be able to do this remotely, but instead of waiting for all the answers and all the statistics, we made the bold decision pretty early on in March to move all of our employees to work from home, really for their health and safety, even before the three states kind of shut down. And we did it in five days, which is truly

amazing. And I want to give a big shout out to our IT team, which was a team of two at the time. And they were able to do it successfully.

Again, we did have our imperfections, but it's, again, always like to say progress over perfection. And not only were we able to keep our employees safe, but we also saw a lot of benefit from it. We've had a lot of efficiencies from our business. We've pretty much eliminated all paper, everything went digital. Our hiring went virtual as well. That used to be using office space to meet with individuals. Now we're doing it on Zoom. And our consultations where we meet with the patients and the families, which again, used to be in person. Now, most of it has now become virtual over Zoom, which has made a whole lot more efficient, of course, safer for everybody.

And again, I go back to it's not perfect, but progress over perfection. And I think a lot of these changes that we made for our business are going to stick with us even when we get to this new normal, and then I'll close with, I was just going to say the one last thing is that I saw online a meme that said the title was who is responsible for your digital transformation of your business? And it had a picture of a CTO and a picture of a CEO and it had a picture of the Coronavirus and that one was circled. And that can be much more truer than, than what we experienced.

Steve Sanduski: Yeah. I was just going to ask a couple of questions on that. So one is what was that biggest challenge? So you said you really weren't prepared to go digital prior to this, but then in a matter of five days or so you were able to make the shift. So what was the biggest challenge that you had? And then the second question is going to be, and you alluded to this, that much of this is going to continue once we get out of the pandemic. So, what are the key things that you think are going to continue, and how are those things going to benefit the business going forward?

Ryan Iwamoto: Yeah, so I think the first biggest challenge is just logistically getting our employees to work at their home, because again, we had very large equipment, like from the computers to the phones, to the monitors, making sure everyone had access to wifi and be able to connect over the phones. And we deal with a lot of phone calls and communication with our clients. So just having that whole process and relying on people to have the ability to work from home, I think that was the first biggest challenge. And luckily we made some moves with our telephone provider and they are able to to easily transfer that to home, but just not knowing the capabilities was a challenge, but we were able to do it. I think also not really necessarily knowing are we able to interview, and to make sure we still hire the right caregivers from a virtual setting.

We always prided ourselves in meeting in person with the caregivers, and just really getting an understanding if this person is a right person for the role as a caregiver, by being in person, we didn't have that anymore, but transitioning it over to Zoom, we felt we'd found that we would be able to do this virtually and

some of the same nuances of body language and communication, and seeing the trust in caregivers, you can still capture that over Zoom. So, we were able to get over that. And then lastly with the consultations we've met in person with families, mostly, I would say 95% of the time and hey, this going to be a different way of doing things and detrimental to our business, not be able to have that face to face communication, and going through it, we've actually come out of it. And just looking at some of our consultation, conversion numbers, we've actually had some of the highest ever in the company going virtual. Again, this is stuff that we've never would have even thought of being able to do or even consider a pre COVID-19.

Steve Sanduski: And one thing I'm also interested in here is now that so many of your folks are virtual, how does that affect the culture that you've created in the organization? How do you maintain the culture when you have your employees working remotely? And have there been some employees who have not been able to effectively make the transition from working in an office to being at home and the potential distractions of being at home and how do you deal with that?

Ryan Iwamoto: Yeah. Great question, Steven. I think I go back to my phrase of progress over perfection because yes, it wasn't a seamless transition. I think our employees were very used to a culture of being around a lot of people, having the interaction, being super engaged with their colleagues, we try to create that environment here at what we call our support center, but yeah, now we don't have that luxury. Everyone's at home, isolated, in their homes. And you have to find different ways to keep people engaged, which again is always been a constant challenge for us, but you find ways you get creative and again, it allows you to make bold decisions. Of course, we've gone to Zoom and everything is on Zoom. We encourage, and I guess really highly encouraged to make sure that all of our employees are using the camera feature, so you have the face to face engagement.

Every meeting is done on Zoom so that you can get that face to face interaction. And then I think we try to find ways that if we can't connect in person, how do we elevate our game to hit connect with our colleagues, our caregivers, our clients virtually. So we've done certain things of just elevating that experience. We've made virtual backgrounds specifically to fit for our employees to use. So they don't have to worry about their own backgrounds. We're going to be updating our signatures on our emails to just be a little bit more engaging and interactive when they email people. So there's different things that we've done to really up our game virtually, but again, it's progress over perfection and something that we're constantly working on.

Steve Sanduski: All right. So, first one here is basically, don't wait to take action when the crisis comes. And what would be the second thing that you guys did here when the pandemic arrived?

Ryan Iwamoto: Yeah, well, I think this kind of relates to the first point, but the second one would be seek clarity over certainty. More is lost in indecision than the wrong decision. That's something that I heard during this time from one of my coaches. But again, this is a big lesson that I learned going through the pandemic, and it kind of reminds me also the quote that Andy Grove, former CEO of Intel said, and I think I saw this on LinkedIn, but he mentioned that bad companies are destroyed by a crisis. Good companies survive them, great companies are improved by them. And again, certainly COVID-19 devastated many industries and companies, including great ones, but these words really reminded me on how you respond to something, makes all the difference in the world.

And that sometimes doing something is always better than doing nothing, because when you're doing something, if you find out that it doesn't work out, or maybe you do fail, and as long as it's not the biggest failure, the only fail is when you don't learn from that failure. So usually that can be the instrument of your growth to get better or find a way to do it right. And I definitely learned that lesson through COVID-19. So, I think just... Go ahead, Steve.

Steve Sanduski: No, no, go ahead.

Ryan Iwamoto: What I was going to say is I think just the first thing when we talked about COVID-19 it really seeing just the gravity of the effect of COVID-19 just to be quite honest, I was completely paralyzed by the challenge it created for me and for our team and for our employees. And just to give you some color, we employ over 10,000 caregivers and they care for probably over 10,000 plus high risk seniors and adults and children with developmental disabilities. So, again, very, very at risk population. And I think right off the bat, we lost about 20 to 25% of our business in the first month. So, people were scared. Elective surgery stopped at hospitals, which usually were patients that we saw after roots that needed home care. And I think I was just scared, not just because of the dip in the business, but I didn't really know how to proceed and I don't think anyone really did. So there wasn't really a guru that you can talk to, you say, "Hey, how do I run this home care business in a pandemic?"

But just going back to our purpose statement of impacting people's lives, by making a difference every day I look back to that and say, "How do I do this during a pandemic, especially when there's unknowns?" And one thing that I remember with one of the meetings that we had during COVID-19 with our executives, I remember our CFO saying, "Ryan, there is no way we're taking on COVID-19 patients, right?" And just with the whole risk, and safety of our caregivers. And the first answer was for me, it was "Right." We weren't. But then as we started to see the cases starting to spike and the hospitals and skilled nursing facilities that we work with, their patients that were COVID positive, started to grow, I really knew that we had to step up and really step in to be a part of the solution.

So, that's where I actually did go to a guru, my coach, and here's a little plug for Sheldon Harris at CEO Coaching International. And he was the one that actually told me the quote, clarity over certainty more is lost with indecision than the wrong decision. And he's absolutely right. Even though I didn't have all the answers I needed to make a decision. And I felt that my team and I were uniquely suited, especially during this time to make a difference in people's lives at a time where the country and really the whole world was suffering. So we rolled up our sleeves, we went to work and I remember telling our team, our purpose is to impact people's lives by making a difference every day, but especially during these times, we are not only impacting people's lives, we're also saving them too.

Steve Sanduski: I appreciate you being open with that. And just sharing, you mentioned a moment ago that when this hit and you realize the gravity of the situation that you were paralyzed, I'm imagining it was probably for a short period of time. But if you could go back to that moment, when you were feeling paralyzed and overwhelmed with what was going on, how did you end up processing that? And then what did you ultimately do to get the confidence back, to start making some decisions and to start moving forward? Because now I think you've got a lot of momentum in terms of what's going on. Can you go back to that moment in time? And what was the turning point that got you off of being paralyzed to actually moving forward?

Ryan Iwamoto: Yeah, well, I think it starts with having a solid team, a team of different diversity and thought if you have a team of all doers and people that are always go, go go, it's not always going to serve best for the company. You're going to need a good balance of people that are going to sometimes be the breaks to your gas pedal and having a team that has a diversity of thought where we met about COVID-19, and the direction of the quite often, we've also educated ourselves as much as we can with the CDC, and the World Health Organization. So we got enough information to make what we felt was the right decision. It wasn't all the information, but it was enough for us to feel comfortable to move forward. And when you're doing it with the team that you trust and you respect, it makes it a whole lot easier to make that decision.

Steve Sanduski: And I've asked this question before on podcasts, I'd love to get your take on it. So when it comes to gathering information and having enough information to make the decision, I'd love to get your take on. Let's just assume that if you're making an important decision and the amount of information that you could gather ranges from 1% of the total, all the way up to a hundred percent of all the available information. Now we're never going to have a hundred percent clearly, but is there some percentage that you would say when I have about X percent of what I think is the total potential information, that's enough for me to make a decision and move forward. Could you even think of it in those terms? Like put a percentage on how much information you think you need before you're actually going to move forward?

Ryan Iwamoto: Yeah, we'll, Steve, that's a great question. I really haven't thought of it in that fashion, but if I had to give you an answer, I'd probably say about 60 to 70%. And the reason why I say that is again, looking at Vegas odds. If you had 60 to 70% on Vegas odds, you'll make that bet.

Steve Sanduski: That's better than the house.

Ryan Iwamoto: Yeah. That's better than the house. So, we'll take those odds. But the unique thing about business is that even if you are not right, even if you fail to make the right, or, sorry, failed to make the right decision, it's only a failure if you don't learn from that failure. So, even if you're not right, but you can learn from that mistake or that wrong decision to course correct or grow from it, then it's a win, win. So either way I look at it is that you're in a win, win situation. So why not just make the decision, move forward with it, and learn from it.

Steve Sanduski: Yeah. And oftentimes the decision is not going to be fatal either in the sense that if you make a decision and you get into it and you realize, "Oh, this is not turning out the way we thought", you can change course. You can make a different decision or do something different, veer a little bit. So it's not like it's always a bet the company type decision as well.

Ryan Iwamoto: Yep. It's fail fast.

Steve Sanduski: There you go. All right. So we've got a couple here. So first is don't wait to take action. Second is seek clarity over certainty. What would be a third one that you learned?

Ryan Iwamoto: Yeah, I think, this again, going to the bold decisions, I think this, this pandemic really made us find new ways to add value. And I think, especially speaking to some of the business owners that unfortunately didn't lose 20, 30%, but they lost a hundred percent of the business. It's really forced them and us to look at, hey, where are some other areas that we can bring value, or worse than the opportunities that we can rise to meet some of the needs that our community or our clients need. And that really goes back to when I look at what's happened and transpired over these last couple of months is that we've been able to partner with organizations that can still provide a much needed service, that goes beyond our core service of home care. And this also goes back to, again, looking online, seeing a quote from JFK.

And again, I don't know if this is accurate or not, but it did declare, or he famously declared that in the Chinese language, the word crisis is composed of two characters, one representing danger and the other opportunity. So when you put those together, you have crisis, and whether that's accurate or not, one of my takeaways is that in any challenge, where's the opportunity? So, for us, our opportunity was we work with seniors with COVID-19, they were isolated in their homes. And since a lot of them were in the high risk population, they just couldn't go out. And we also know that access to food for seniors was tough,

was challenging. I think the stat is that there's 5.3 million seniors that are food insecure in the country. And what does that mean? That means they don't have access to nutritious food, or quite frankly, they can go hungry every night, which that only gets exacerbated with COVID-19 being isolated in the home.

So, one of the things that we did was we partnered with GrubHub, the food delivery app, and allowed us to create a service called Grub With 24 in partnership with them where we can provide on demand food delivery for the seniors, without the need for the GrubHub app or a smartphone. So, instead of having to go on the app or use a smartphone, they can call us and speak to a live person that can help them get food. And we actually can do it. GrubHub is really great with us and they provided a discount for our clients to use this service. And really you can get a cheaper price going through us than actually going through the GrubHub app. So, that allowed us to really provide access to good food for the seniors in the community. And I think the other example that comes to mind too, is this one really is more being lucky than really being opportunistic.

But again, as a leader, I think you'll take luck any day of the, but during the start of the pandemic, I was in the process of bringing on a VP of sales. So, in March, we actually brought this gentleman on and his background was in pharmaceutical sales. And in his previous role, he actually had a relationship with a lab. And that lab just started doing COVID testing. And as you can probably remember, Steve, back in March, April access to testing was just not there, and the need for it was skyrocketing. And many of the skilled nursing facilities that we've worked with and received patients from we're having outbreaks and it was happening very quickly and their access to tests just again, wasn't there. So our newly hired VP just right off the bat allowed us to connect and partner with a lab here in Los Angeles.

And we're able to provide testing for not just the skilled nursing facilities that need them, but also for our employees and for our clients that need it, which was a much needed service at the time. And did this service make up for all the the business that we lost during COVID-19? No, it didn't. But what it did do was that it allowed us to strengthen our relationships in the community or with the health care community and position ourselves as really the safer option a when needing care. So, again, it was something that really, really benefited us during this time.

Steve Sanduski:

Yeah. And what I like about that is you found new ways to add value. And so while this pandemic is a horrible situation, you found ways in your business to provide new avenues of value to your clients in ways that you wouldn't obviously have thought about prior to this happening. And I think that's what the best companies are doing is they're in some cases ripping up the playbook, because the old playbook no longer works. And so they're figuring out what do my clients need that I can provide that may not have even been on the horizon whatsoever for my business? And those are the kinds of companies that are, as

you mentioned that Andrew Grove quote, Andy Grove quote here at a little bit ago about the crisis, they come out stronger on the other end. That's what the best leaders are doing. So, I appreciate you sharing that. Okay. So we've got three here. Is there a fourth or something else, maybe you as an individual, you as a leader, how has this impacted you? How are you finding ways to grow as a leader through all of this?

Ryan Iwamoto:

Yeah, no, I think the one thing that crisis definitely can make you do is question yourself as a leader. And I think really to this day, every day, I'm looking myself in the mirror asking myself, "Hey, am I the right leader? Am I continuously adding value to the company?" For better, for worse for my employees? My answer is, yes. I still feel I can. But one of the things I think going through this process and really evaluating myself is this notion of feedback and probably where, I've been a little bit hypocritical on feedback. And just to add some color to that, Steve, just within the company, and culture we were really big on giving feedback, both positive and constructive, and I've always given feedback to my team, but never really sought to receive it, which again, I thought was hypocritical. So, about a month ago, I took the plunge and worked with my executive coach, Sheldon Harris at CEO Coaching International.

And I asked him to do a 360 performance review on myself, getting both positive and constructive feedback from 14 individuals that I work closest with at 24 Hour Home Care. And it was kind of refreshing because I've never had formal feedback as a owner of a company or president of a company probably in about 15 years. So, I'll be honest. It did feel good to hear some of the strengths that Sheldon was telling me that my team was giving me, but I also realized that my weaknesses, how can I commit to be a better leader if I don't know how I'm showing up to my team? So Sheldon was able to provide that for me. And there was definitely some things that I needed to work on, but I wanted to take it a step further. And they say the best way to hold yourself accountable is to let the world know that you're doing it and that they can hold you accountable too.

So one of the things that I did was I took my weaknesses. I screenshotted it off of my iPad and posted it on LinkedIn. So let the world see it. It's a public post too, so you guys can go read it right now on my LinkedIn, but it really highlights the weaknesses and the areas of my improvement. And that was a step that I took to really tell my team like, "Hey, this is my commitment on continuous improvement, and a pledge that this is how I want to strive to be a better leader."

Steve Sanduski:

Well, Ryan, I appreciate you mentioning that you did this 360 review and be an open and sharing that as far as what some of those weaknesses are. Would you be okay if we actually republish that on the CEO Coaching website where people could see what some of those vulnerabilities are?

Ryan Iwamoto: Steve. Now you're really going to hold me accountable to these weaknesses, and getting better, but no, absolutely. If this can help encourage any of the leaders out there to do this, I think it's a positive thing for us. Absolutely.

Steve Sanduski: Great. Well, I appreciate that. So, yeah, so you'll be able to go to CEOcoachinginternational.com and you can look up our conversation here with Ryan and we'll have a screenshot of that information there. So I appreciate you being open to sharing that. Okay. So, as I took some notes here while we were talking, I think we have four areas here that you talked about in terms of the crisis, how that impacted you and how you were trying to grow through this. So one is don't wait to take action. A second is seek clarity over certainty. A third is find new ways to add value. And then the fourth is to grow as a leader. So I think those are all excellent points. So thank you for that. All right. So let's just wrap up with a couple of things here. I always like to wrap up with, is there anything else that you want to add? Is there a question that you were just wishing, "Gosh, Steve, I wish you would ask me this question." So here's your opportunity to, to add anything else that maybe we haven't talked about yet?

Ryan Iwamoto: No, I think we wrapped up with everything that I kind of wanted to share. Maybe the one thing that I'll mention is that I think within a crisis or a challenge, or just dealing with problems, it can be overwhelming. And sometimes we can get really focused in on how do we solve the problem or why is this happening kind of the hands up like this is almost the, the end of the world, but I think we have to remember as business leaders and owners and presidents and CEOs, that problems really is the definition of business. And the people that do best in business are not the ones that have the least amount of problems. It's the ones that solve those problems the best. So, again, having that type of mindset is really helped me throughout this time.

Steve Sanduski: Great. Okay. So let's wrap up here with just a few rapid fire questions. The first one is what would be three of your personal core values?

Ryan Iwamoto: I'd say grit, resilience, and integrity.

Steve Sanduski: And of those three, which one do you think you had to draw upon the most here during the past few months?

Ryan Iwamoto: I would say probably a good combination of resilience and grit.

Steve Sanduski: Excellent. Okay. How about, let's talk about leadership a little bit. So what would be one leadership trait that brings success and what would be a leadership trait that kills success?

Ryan Iwamoto: Yeah. Very good question. I would say the trait that brings success is, there's a lot, but if I had to one, I would say it'd be having the vision. And I think true leadership involves looking just beyond the day to day or today, but to tomorrow and beyond, I think as a leader, you need to have that vision to be

able to know where you're going to take your team and your company. I think one leadership trait that kills success is ego. And we always have this motto of, you got to check your ego at the door when you walk in here. And I think with an ego, you can probably go pretty far, but if you really, really, really want to go farther with the team, you got to check the ego out the door. So I think that's one that can really stagnant success.

Steve Sanduski: And then one final question here. This is always a fun one to ask. Some people have some really strange ones. So the question is, what would you say is your strangest daily habit?

Ryan Iwamoto: Yeah. So, this is something that I've been doing actually during the pandemic. I kind of took on this practice, but I actually meditate on a bed of nails every night. And Steve, it's not an actual bed of nails, you can actually go on Amazon, but it's like this mat that has plastic spikes on it. So I lay on it right before bed and pop on Headspace, which is a meditation app. And I listened to it about five to 10 minutes and it helps me get ready for bed. And I think sleep is just such an important thing to do for your body and for wellness, especially in this time, and as a leader of a company. So yeah, it's something I picked up and I do it every night.

Steve Sanduski: Well, I got to say that's the first time I've heard that one. So that's basically like an all body acupuncture before you go to bed?

Ryan Iwamoto: It is, and the science behind is that the spikes kind of make the blood go to your back. So it helps relax you as you go to bed. So you can find on Amazon probably type it in and find it if that's something that you're looking for.

Steve Sanduski: Yeah. Well, for sure. Great. Okay. Well, Ryan, this has been great. I appreciate it. Thank you for taking some time here today and thank you for the business that you have, which is providing an extremely valuable service for folks and just really sorely needed. So thank you for all the work that you and the team are doing and appreciate you being on the show here. For those of you listening to get all the show notes here and the details you can go to CEOcoachinginternational.com and we'll have this podcast as well as all the others. We also have some amazing blog posts with some great ideas for all of you CEOs and other folks in leadership positions. So, Ryan, thank you. And I wish you all the best of success going forward.

Ryan Iwamoto: Thank you, Steve. I had a lot of fun doing this and I appreciate you allowing me to be a guest on the show.

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