



How to Build Your Organization as a Highly Valuable, Sustainable Asset

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In part one of this two-part blog post, we distinguished how, in the ordinary world of business, the hidden context in which businesses seek to perform – is to maintain and enhance shareholder return; and only after that is done, then the company can look at the care of the employees and customers.

In part two we are going to look at the kind of sustainable growth that can result in supporting all of an organizations' primary constituencies: *Employees, Customers, and Stakeholders*.

Here is a case study of an organization that is leading the way in a new model for organizational design that keeps the ball moving forward with employees, shareholders, and customers – all at the same the time.

Alliance Bank was founded in 2007. This 11-year-old bank started with 12 employees and now has 366 employees, 16 locations, and \$2.9 billion in assets (an acquisition is pending that would give them approximately \$4.5 billion in assets).

Alliance Bank:

- Went public in 2015 (ABTX).
- The share value doubled from \$10.00 to \$21.00 a share in the first 8 years, then doubled again from \$21.00 to approximately \$40.00 a share in the last 2.5 years.
- The bank is growing its loan portfolio at 20% a year while having a 400% increase in the value of its stock.

The founders of Allegiance Bank were from a group that formed another bank (Sterling Bank). That bank:

- Grew from 6 little offices to \$3.5 billion in assets by 2002
- With 40 consecutive quarters of earnings, and
- A spot on the Fortune 100 list the last three years that Mark Kamin & Associates worked with the bank.

The Chairman and founder of both banks articulated a model for being an extremely high performing organization: The *“You and Me” Business Model* for organizations. He worked closely with Mark Kamin & Associates in implementing this model in both organizations. We also refer to the model as ***the Seven Critical Principles that Define Leaders and Unleash Peak Performance***.

Essentially, this business model calls for an organization to focus on the concerns of each constituency. Sometimes taking care of employee fulfillment or customer satisfaction, and putting resources in that direction, may come before quarterly shareholder return. This approach builds long-term shareholder value by virtue of employee commitment to the organization and long-term customer loyalty.

The “You and Me” Business Model, of correlating culture and performance to supporting **ALL** constituencies **ALL** at the same time – is what builds an organization into a highly valuable, sustainable asset.