

Custom Software Creation through the Business Value of Joy™



Richard Sheridan - CEO

About Menlo Innovations LLC

Our clients hire us to design and build custom software.

Our CEO, Richard Sheridan, elaborates on this by describing:

"We are like a custom homebuilder. If you have the house of your dreams in mind, you would want to find an architectural firm, a design firm, and a build firm to bring it to life." We do the same thing for software.

Our Mission

Our mission as an organization is to end human suffering in the world as it relates to technology™.

For our clients, we do this by creating software that is widely adopted and enjoyably used by their intended end users. We do this through a unique set of practices that include High-Tech Anthropology®, paired programming, and working in an open and collaborative environment.

Within our organization, we achieve this mission by intentionally choosing to create a culture founded on the Business Value of Joy™. Our CEO, Rich Sheridan, has written a book, Joy Inc. on why we decided to do that and how you can too.

To further our mission, we are also passionate about sharing our culture and processes with the world. We offer workshops, books and tours to help others understand our methods, how they can be applied in other industries, and why they are so important to achieving successful outcomes within a team.

Interview conducted by: Lynn Fosse, Senior Editor, CEOCFO Magazine

CEOCFO: Mr. Sheridan, what is the concept behind Menlo Innovations?

Mr. Sheridan: We created a company focused on what we now call the business value of joy, which is an interesting way to describe any company, especially a technical firm like ours. What we do for a living is design and develop software for others. The reason we picked Joy is that, quite frankly much to the strife of the world who does not know the software industry, as well as those of us who are on the inside of it, it is often a joyless profession. We suffer many setbacks in our industry. We miss deadlines and many projects get cancelled. Even when the products ship they have bugs, errors and security flaws. If we do get it out into the world, people often hate the product. We end up calling our users stupid and we write Dummies books for them. There was a certain point in my life where I wanted to either change that or get out of the profession entirely. A technical team more than anything else wants to see the work of their heart, hands and minds get out into the world and delight the people for whom it is intended. In order to accomplish that in our view, we had to change everything. What you really have here is a team that has intentionally created a culture focused on that joyful outcome. We are going to have people love the work that we do here. In order to do that, we had to build a joyful team on the inside. We had to create a culture based on a shared belief system. We had to fit everything we do in the physical space and we organize the people and processes to that culture.

CEOCFO: How does that play out day to day?

Mr. Sheridan: When people come to visit Menlo, the first thing they notice is the way the space and the team is organized. They are going to see a very different kind of environment, a big, open room where even the executives sit out in the room without any offices or walls. I am right out in the room with everybody else. They are going to notice the way we plan things. We execute on a short five-day cycle. We actually meet with our clients either in person if possible, or virtually if they are farther away, every five days at an exact day and time. The client can see exactly what was completed and if we are on track. One of the biggest challenges in software projects is that they get off track. The team says they are done, but they are not finished. We bring the client back into the process and have them physically touch the software we have designed and built in just the last five days. They can actually feel and experience it directly. They then move into a

very interactive planning activity to make sure we are working on the most important things next. They will notice that our planning artifacts are paper and many people believe this is strange for a software company. We use physical artifacts to manage our projects. One of the main reasons is the acknowledgment that these physical kinds of artifacts actually work better for humans. That is a theme at Menlo. We want to make sure that we are taking into consideration the people throughout every aspect of our process.

CEOCFO: *Who is your typical client?*

Mr. Sheridan: I would say there is a mix. There are two kinds of clients here. There are large corporations that come here. Some of the biggest names on the planet come here because they see us as an opportunity to do things differently than they can do within their own organization. They choose us for innovation projects. They want our creativity, energy and imagination. There are companies at the other end of the business spectrum that are startup companies. We become their software design and development team. We essentially become a part of their organization in the sense that they are entrusting us with the design and development of the technology they want to bring to market as a product.

CEOCFO: *When you are talking with a company and evaluating their needs, what might you look at that others do not realize is important?*

Mr. Sheridan: The number one thing any project needs, in our view, is a champion. We choose that word very carefully because a champion can occur anywhere within an organization. We need that more than anything to have a project succeed. I think that is true of any project, not just a software project. You need somebody who can make the call when there is a difficult decision to make, who knows how to move resources within their organization to make things happen, and is not looking simply to keep their job as an element of success. They are actually trying to change the world in some important way and are willing to take the personal risk to do that.

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CEOCFO: *How do you reach out to potential clients and how do they find you?*

Mr. Sheridan: We will host over 3,000 visitors this year alone. They come on tours, and they come from all over the planet to visit. Not all of them are going to become clients, but in that mix of people who are walking through Menlo, the seeds being planted for potential client relationships. We have this interesting marketing pull system. We have created such an interesting culture that people want to come see it. Some number of those people choose to bring their work here based on what they have seen.

CEOCFO: *Do you have an ongoing relationship with many of your clients?*

Mr. Sheridan: I will give you an example. We have one client we have been working together with for over eight years. We are up to approximately 19 different projects with this client. They come back again and again, either to enhance something we have done for them in the past or to create an entirely new product offering. It is not unusual for us to have repeat clients. They want to keep using our system and our team to keep moving their efforts forward.

CEOCFO: *What is your geographic range?*

Mr. Sheridan: The main economic engine of doing software design and development for others is done in the continental United States and for clients in the continental United States. Our culture is interesting enough, and we are open enough that we want to teach it to others. We are not trying to keep anything we do here a trade secret from the standpoint of our methods, approach and practices. The people who attend our workshops come from all over the planet. The people we tend to do software design and development for typically are from within the United States.

CEOCFO: *What, if anything, has changed in your approach since you started the company? What have you learned over time?*

Mr. Sheridan: I think we are always looking at ourselves to ask how we can get to be a better and better version of ourselves. I think the thing we have gotten better at but still have work to do is how we give feedback to each other. How do we continually build the fabric of the team and the trust between each other so we can give each other important feedback in a way that causes all of us to grow? I think that is something I will probably spend the rest of my days continually learning how to do better. I think that is probably a key element of our future.

CEOCFO: *Are there particular types of projects you prefer to work on given a choice?*

Mr. Sheridan: Our team often likes when there is a hardware piece involved in the project other than just normal computer hardware. We have a project for a flow cytometer, which has lasers, robots, pumps, and fluids. It is a piece of equipment used to count cells in fluid for cancer and AIDS research. This has been a fun project that we have worked on

for quite some time. The team is always interested in learning new things. I would say that the kind of projects we get excited about are the kind where people really want to take a fresh look at something they have perhaps been doing for years. They come in and say they need a fresh perspective on this. They want to take a tired, old product that is maybe just ho-hum in the marketplace and really make it sing to the world. We have worked in health care systems, life science companies, diesel motor mechanic tools, automotive firms, and many other domains. We use a beginner's mind approach into all the projects we work on. I think the people who really embrace our approach just make it fun for us and our team enjoys those kinds of projects.

CEOCFO: *When you are talking with a prospective client, are there some that just are not right for you?*

Mr. Sheridan: You always have to be careful with exactly how you handle those discussions. Sometimes it takes time to get past the things we think are going to be hurdles, and then they turn into wonderful clients. We would also not work with someone who does not want us to explain how Menlo works and is just looking for 20 PHP programmers and a project that needs to be done in 30 days. The people who still believe that software miracles occur are not the kind of clients for us. The other is the people who really do not have a crisp sense, not of the outcome they are trying to produce, but of the problem, they are trying to solve. We can help with a solution to the problem and help find and discover things. When people come in and they are just trying to create the all things for all people incredibly flexible Swiss Army Knives of software, those projects are not for us. We want to get in and look at a hard problem and figure out the best way to solve that. I think the other kind of projects that do not work for us are people who do not care about their users at all. They say they will be fine with whatever they give them and they will just learn to adapt. That is not our kind of project because it speaks to the heart of our joy. We want to delight the people using the software. We believe the people we are trying to serve are incredibly good at what they do, and we do not need to make them think like computers. We want to make the computers think like them, and that is what our High-Tech Anthropologists® do.

CEOCFO: *What do you do all day? How do you focus your time as CEO?*

Mr. Sheridan: I am one of the few people on the team that is actually tortured by email. We have an interesting system internally where even our busiest people maybe get 20 emails per day. I will probably get 20 while you and I are talking. My job is that of outreach to the world, so I spend my days teaching our process and our approach. I spend a lot of time on airplanes speaking about joy to the world. I keynote at conferences. I talk with corporations about the importance of workplace culture.

I am often at the leading edge of client conversations. I am usually the one to Occasionally the team calls on me to guard our belief system through account management. If there is a client who is getting off track, dragging fear into the room because they do not believe in the approach we are taking, I will step in. I work hard to keep artificial and manufactured fear out of the room. There are normal, healthy fears, but sometimes people will use fear as the single greatest motivating factor to drive a team's performance. I think we have known for decades that that does not work.

CEOCFO: *Menlo Innovations has been recognized as a Best Workplace, and in terms of growth you have been on the Inc. list for quite some time. How do you continue as successfully as you have? What is the key to keeping it going?*

Mr. Sheridan: I think the best thing a leader can do is over-communicative vision. Make sure that the team shares the same core belief system. It does not mean we all have to be the same or act the same. If we all follow the same core beliefs about who we are, why we are in business and what we are trying to accomplish, guarding a culture is probably one of the most important things a leader can do to perpetuate a system forward. I think that is how we keep this thing vibrant. If you walk in our door, you see a 13-year-old company that still kind of looks like a startup company. We still have that startup energy here, that human energy. Even though we have moved three times in our history and have tripled our space, each time we have moved, we have never put up a wall. We have never put up a gifted C suite or an office. We still look like a team sitting on cardboard boxes and drinking coffee we made ourselves. I think that is important to keep that vibrancy and human energy so that people enjoy being here every day.

BIO: From kid programmer in 1971 to *Forbes* cover story in 2003, *Joy, Inc.* author Richard Sheridan (U-M BS Computer Science '80, MS Computer Engineering '82) has never shied from challenges, opportunities, or the limelight. While his focus has always been on technology, his passion is on process, teamwork, and organizational design, with one inordinately popular goal: the Business Value of Joy! Sheridan is an avid reader and historian, and his software design and development team at Menlo Innovations did not invent a new culture, but copied an old one ... Edison's Menlo Park New Jersey lab.

Some call it agile, some call it lean ... Sheridan calls it joyful. And it produces results, business and otherwise. Six *Inc.* magazine revenue growth awards, invitations to the White House, speaking engagements around the nation, numerous articles and culture awards, and so much interest have led to a tour a day of the Menlo Software Factory™.



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