

Ep #39: Interview with John Formica



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Dr. David Phelps and Evan Harris

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You are listening to the *Dentist Freedom Blueprint* podcast, with David Phelps and Evan Harris. Navigating you through the uncharted waters of a turbulent economy with straight-forward advice to, transform your practice into a self-sufficient cash machine, compound your net worth assets, and multiply, multiply, multiply your passive cash flow streams.

David: Hey all my dentists and professional practice owner friends, you're going to really enjoy this interview that I did with my good friend, Mr. John Formica, the "Ex-Disney Guy."

Well, hello everyone. This is Dr. David Phelps of the FreedomFounders.com and the *Dentist Freedom Blueprint* podcast, back to you with another one of my outstanding expert interview calls. With me today is a really good friend, we've been friends for a good five years. We met in another mastermind we've been a part of, and my friend and I, our expert, is Mr. John Formica. John, how are you doing?

John: I'm doing great, David. It is always a pleasure to talk to you. I really appreciate this opportunity to help you in any way and help anybody else out there as well.

David: Well people don't know much about you yet, so I'm going to give a little intro and then you can kind of fill in the blanks, John. John you're well known and you became known to me right off the bat when we first joined the mastermind about five years ago together, John, as you're the Ex-Disney Guy. Now when I first heard that, John, I have to admit, I thought, "What happened? Did Mickey and Donald fire you? Were you not up to speed?"

But I learned quickly that that's not at all what the branding is about, that actually you take some things that you have learned

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in your career and you now impart those to other small business owners, entrepreneurs, and professional practice owners. Just to give our audience a little bit more information about you, I know that you've done a ton of keynotes, like over 2,500 keynotes, presentations, seminars, you talk to associations, business communities, professionals, students. And all that today, taking what you learned at Disney, about that culture, and you show other small businesses how they can create that Disney-like culture.

Along with that comes positive leadership, team relationships, small business growth, and transforming any existing service level into a magical customer experience. So take us back a little bit, talk to us a little bit about your time at Disney. I know it was not only Disney, but Hyatt hotels, Hilton, Adam's Mark, Sunrise Senior Living. You've been all about customer service and experience really most of your life, have you not?

John: That's right, David. I spent over 25 years managing and supervising people in the service industries, most of them in the hotels and resorts and as you mentioned, assisted-living communities. Basically, I worked for companies like Hyatt and Hilton and all the big ones as well as some of the smaller ones. Really what I was able to do is just start as a front desk clerk and work my way up to being an assistant general manager for these large hotels. Then I got plucked away out of the Hyatt Hotel organization and recruited to work for Walt Disney World.

When I joined Disney at the time, they had four hotels and a campground and Michael Eisner was trying to fulfill, he was the CEO at the time, he was trying to fulfill Walt Disney's dream of creating a Disney resort experience. So all of a sudden, the resort division of that company was about to explode. They brought me on with a group of other managers, and our goal was to create that Disney resort experience very similar to the

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parks. Everybody knows Disney from their parks, now was a chance to make their mark in the resort hotel industry.

It was really just a great opportunity, perfect timing, I got to open the Grand Floridian beach resort, which is their five star hotel. Got to host presidents of the United States and their grand kids. Princess Diana, I actually gave Prince William Froot Loops. I can't believe he doesn't remember me, that I did that. He was only about four years old, okay? So it allowed me to have some great experiences.

But the neat thing was I became a sponge to the Disney success model. Many of my hotel buddies, they came from the large companies like Marriott and so forth, and they thought they were going to make Disney into the next Marriott or the next Hilton. I said, "You know what? I think Disney's got it. We just have to transform that magic into that resort experience." I became a sponge and every hotel that they moved me to manage, we had the highest guest satisfaction ratings ever recorded in the history of the hotel. Then they would move me to another hotel and that hotel then had the highest guest satisfaction ratings.

So the interesting piece was that all of a sudden what I was doing was not focusing on service, it was really focusing on that customer experience. We had some great success within the Disney organization but then the neat part was when I left Disney, I realized that that Disney success model can work anywhere, any industry, any business. That's where I really had some fun turning around some hotel companies, some assisted-living companies, really transforming them into a Disney-like culture so that they no longer had to compete with anybody and could be more successful than what they'd been. That's what I'm fired up and excited about, helping people do that today.

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David: You know, John, I get it for Disney. I get it for other resorts or you can talk about, as you said, Hyatt. We could talk about Nordstrom, or Ritz Carlton, or I think about some of the big name brands, where experience really seems to be something that people are really looking for and expect.

But I'm going to be devil's advocate here and say when I first heard you talk about Disney experience, I thought, "Well that's great. I love Disney. I love going there with my kids. It is experience." But you know, I have a dental practice, or I used to have a dental practice. I deal with dentists and, John, I got to tell you, there's not a lineup of people just trying to get in line to buy a fast pass to get into the dentist quicker.

So how can you take what we all know about Disney but make it real for us in a business just like dentistry? How do you do that? And why is that important?

John: You know what? What you're saying, David, is true. But I'm going to plant the seed in everyone's mind right now. All the listeners, right now, I'm going to plant the seed. The seed is this: just imagine if Disney ran your business. What would that look like?

I know that in their mindset, they're already thinking about the things that Disney does that makes them so successful. They're clean, attention to detail. People are outstandingly friendly, everybody goes out of their way. It's so efficient, it's organized. All of those traits that Disney has is what Disney calls that on-stage, it's show time—any business can relate to that same model and create that same experience.

To tell you the truth, I have numerous dental practices as my clients, dentists as my clients. They're really, really good at being a good dentist. If I ask a dentist, "What do you sell?" They're going to tell me they sell dental hygiene and I get it. So

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the wife and I don't say, "Hey honey, let's go to the dentist this weekend," or "Instead of going out to dinner, let's go to the dentist." I get that.

But in reality, it's easier for businesses like dentists because they focus on the experience while you are being exposed to that dental practice rather than the nuts and bolts of why I'm going to that dentist. In other words, the needs. I need my teeth cleaned. I need a cavity filled or whatever it might be. Those are great. What I try to help businesses work on are the wants of those customers. What do they really want? Understanding the mindset of customers. Once you connect with the mindset of what customers want, David, you connect emotionally with them. Once you connect emotionally with them, you've got them.

Dentistry, years ago, you're well aware of this, I know, dentistry used to be there was one dentist on the corner market in the community and everybody went there. Now dentists are like McDonald's, they're everywhere. So the competition is fierce. So what I tell dentists is, "You have to be the un-dentist. You can't be the typical dentist and expect to be more successful than your neighbor down the road that's a dentist because then you're going to compete on price, you're going to compete on all kinds of other things." Where really, your M.O. is if you can compete on experience and connect with me emotionally. I will be with you for life and I'll tell all my friends about you. That's some of the secrets that I love to share.

David: So John, a dentist wants to do that, or a small business owner, really wants to create that. They really want to differentiate. They understand the importance. Let's talk a little bit about leadership, something that again, most entrepreneurs, and I can raise my hand high, I was never taught leadership skills. I just felt like people should understand my vision. They should

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just follow me and it's hard to get people to do what you want to do.

How do you go into a small business, again we'll just talk about dentists because you deal with them and I do, what do you find there that's typically not working? And how do you, I know there's lots of ways, but how do you in summary help turn things around? What are some of the things you have to look for and help that dentist see that he or she is not seeing?

John: Absolutely. Well, I always start with any business, dentists included, I follow Walt's model, in that success. The first thing you need to do, David, any business owner, any dentist practice, you need to create the dream. What I mean by the dream is two purposes. In leadership, your goal is not what you do, it's getting your people to do. Your success is based solely on getting talent and making sure that talent does the things that you want them to do.

By creating the dream, what you're doing is you're creating a purpose. Every single part of the staff needs to know what that purpose is. Most employees, most hygienists, most people that work the front reception area, they don't get a grasp of why we are doing what we do. They think it's for money, they think it's for business. And boy, there's nothing wrong with that. Obviously, that's the outcome. But you need to create the dream.

Let me give you an example. At Disney, the purpose at Disney is every single person that works at Disney World, whether you're a housekeeper, you drive a bus, you're in the restaurants, or you walk around in a suit and tie, everybody understands that your sole purpose is to make people happy. That's it. Although we all have jobs to do, the focus primarily is on making people happy. That's our purpose.

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In dentistry, when I work with dentists, I help them decide or work with them to help decide what is their purpose. And yes, their purpose is to provide good dental hygiene. But why is that important to people? When I go to a dentist, my fantasy is I want to come out feeling good about myself, having a white smile, being attractive to people that I come across, because of what my dentist does to me. I don't really care about the nitty gritty or fillings and all of that stuff, I just want my face to look good. I want my teeth to look good. I want to build my self-esteem. That's what dentists are really selling. They're not just selling dental hygiene.

So what the leadership does is have to gather the troops and make sure that everybody understands what that purpose is. And it's not something that's driven by the dentist, it's driven by the team. Once everybody understands what that purpose is, that's the mission that everybody goes towards. And every decision, everything is based on that mission, on that purpose because at Disney, making people happy, David, is more important than anybody's job unless it's a safety, security, health issue. Of course, those are more important.

David: Yeah.

John: So you focus on that and with that, the next step is you create an environment where people want to do it, not feel like they have to do it. And dentists, like you know, they're very hands on, it's their practice, I get it, they own it. They want it to be successful. But they have to surround themselves with great people and be that great dentist that let people run their practice, let people be that outgoing ... rebuild those relationships. Nothing wrong with a dentist building a relationship, but the staff, the magic is in the people that work around that dentist, not just the dentist.

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David: I completely agree with you. A lot of times, dentists, as you know, John, are introverted and not super outgoing. They can be nice and very pleasant and have great chair-side skills and mannerisms, but not particularly extroverted.

I always tell them, "So look, build your culture through your staff. You just focus on being that great doctor and empower your staff, right? Empower them to deliver that purpose and you can just focus on what you want to do and things will, in a sense, take care of themselves." But I think again, you said it well, it starts with that team.

John: That's right.

David: The dentist is going to be the leader to impart that vision, but start at the team. I know that you go through quite a bit of detail in coaching your clients that you work with on how to build that team. Many times, we both know, that the current team, not everybody who's there may end up staying there once you go through this process. We hope that they will. We give them an opportunity to do so once they've been given the purpose, the vision, and the opportunity to either jump on board or self-select off.

But that's a hard thing, again, for that small business owner to do, right? Because they're wearing all these hats, or they're trying to wear all these hats, they shouldn't be, but wearing all these hats and getting frustrated because they're trying to do too much. Again, we don't have a lot of time to go through a lot of detail, but how important is the assessment of the current staff when you go in and look things over and how often do you have to make some changes there, sometimes hard or difficult changes too, correct?

John: Yeah. But you know it's kind of interesting, I just enjoyed what you just said because it's all about people. Disney does three

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things incredibly well: they hire right, they train right, and they treat right. Okay? Those three secrets. The hiring process is the most important of all three, believe it or not. The secret, I have a whole entire program on how to find, interview, and hire magical people. I call it the “Eight Steps to Never Have a Bad Hire Again.” Because we get frustrated as business owners, dentists, it doesn’t make a difference, any practice, we get frustrated when we interview someone and they’re great during the interview and then six months later they go, “What happened to this person?”

David: Right.

John: Well it’s not necessarily that person’s fault. It could be, but a lot of it is the leaders. One of the things that Disney does real well, David, this is a golden nugget out to all the listeners. That is, Disney hires people to fill a role, not a position. Most business owners, most businesses in general, hire people to fill a position.

So for instance, I’m going to tell you what my dentist did. You have a dental hygienist that is going to be cleaning teeth. Well, the position is you need somebody qualified, somebody certified to clean teeth. Obviously, that’s important. But once he found those that were qualified, had experience in cleaning teeth, he then decided ... We went through this exercise to define, what is the role of a dental hygienist? The role in his practice was, that’s the person that’s going probably have more contact, one-on-one, with the patients than anybody else. Those are the ones that need to build the relationships.

So those are the ones that he made sure were in the right role. He defined that role as being people that were outgoing, cared about people, were sincere, were friendly, the extroverted type of person and they’re out there. Those are the ones that he

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selected for his practice. And he realized that the ones that weren't like that, you aren't going to change them.

So I'm not saying that he just kicked them all out into the street and said, "You got thirty days to change or you're out." He didn't do that. But over time, he saw that he was building a team of people that wanted to be there, were having about fun, while you're in the chair, they're talking to the kids, they're just having a blast. Just like you would find somebody at Disney World doing that, that's the kind of person that he picked as a hygienist. Where his competition were hiring qualified, experienced hygienists with very little personalities.

All of a sudden he realized that was separating his dentists apart from everyone else. Because everybody said, "As much as I don't like going to the dentist, Gloria is awesome. She's so friendly, she's so helpful, she cares about me. She cares about my family." And guess what? It just creates this loyalty that you don't want to change dentists because I'd feel bad if I left my dental hygienist because she knows my teeth inside and out but more importantly, we have a great relationship with her.

So it's about placing people in the right roles. From the front desk, we hire people that know about bookkeeping, about scheduling, about all that stuff, but yet those people are the ambassadors of your frontline staff. They're the ones that are on the phone talking to your potential clients or new clients. We have to make sure that they're in the right role. They know what their role is and what role they're going to play. Like Disney was hiring someone to fill a part in a movie, you've got to find somebody to play that part in that movie in your practice. Does that make sense?

David: Yeah, that makes total sense, John. I was just thinking as you were talking about that again, the importance of the team, and having leadership on that team which certainly needs to start

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with the business owner, the dentist in this case, but hiring the other people. I think oftentimes when I've looked at professional sports teams, or it could be college teams. There's always the coach, and the coach is the one that is helping to develop and runs the game plan and who's responsible for so many moving parts. But still on that team, there's always people on the team that everybody else kind of looks up to for leadership.

Remember sometimes when teams have a bad season maybe and their morale is down, you'll hear about teams going into the locker room without the coach and there will be some particular team leader that steps up, right? Well, those people are core people. And again, I think that's what we as business owners, dentists, doctors, professional practice owners, we've got to build that team so that again, all the weight doesn't fall on us.

So there's so many things that the team will take care of and when you have that core, John, is it not true that once you have that core, that leadership, and they're going to take care of moving things forward as long as you back them, as long as you don't ever undercut them, but you back your core, you back the vision, and then the doctor can start to do more of the things that the doctor should be doing and not worrying about so much peripheral activity that so many get involved in.

John: Absolutely. You know, what you do is you create that environment again where people want to do it, not feel like they have to do it. One of the biggest frustrations, when I work with leaders of all industries, whether it's dentists or chiropractors or auto service repair shops, one of the most frustrating things that leaders go through is they feel like they're a babysitter. They're in the babysitting business.

A lot of times, when I dig deep into coaching leaders, I realized the reason why they're in the babysitting business is one, the nature of their style of leadership wants a babysitting

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environment. In other words, they're out there micromanaging everybody and feeling that they have to do everything or they have to have their fingers on everything.

And the second piece is that the employees then feel like, "I can't be empowered. I can't give any suggestions. I'm afraid if I step out of bounds to do something that, one, there will be repercussions or something, or I'll get a nasty look, or whatever it might be." It's interesting, at Disney World, there are 60,000 employees that work at Disney World.

David: Wow.

John: Just in Orlando, Florida, alone. When we as managers, we didn't walk around with big sticks beating people over the head. Disney created a culture where every decision was based on what the employees thought, not what managers thought. We became babysitters of the property, David. Not babysitters of people.

When I was a general manager, I was a babysitter of the hotel. I made sure the hotel ran right. But I didn't have to babysit the people. They were the ones running it. So it's all about, again, in many cases, you said we have to hire slow and fire fast. Or sometimes we place people in the wrong role. Maybe there's a better role in that practice that that person would excel in because if you're in the right role, David, would you agree your heart is in it? You're probably excited about it? Well when you're in a lousy role, you don't like coming to work every day, you don't like the tasks you have to do, you're really not any good.

David: Absolutely.

John: So what happens is, you have a job. I always tell business owners, and I always tell dentists this too, I told my dentist, this

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is one of the first things I told him: Stop hiring people that need jobs. Hire people that believe in what you believe in. I know he got it. Just like you get it. It's not rocket science. We get it.

But, he'd fall into that trap of, "We've got to fill seats, we've got to get bodies in there." And we hire people that need a job rather than hiring people that believe in what we believe in. Dentists have enormous serving hearts. They want to help. They want to serve. They're great dentists, we've just got to help them be better leaders. And that's what I love doing and I know you do too as well.

David: Very well said. I'm just going to ask you, with your years at Disney, what did you learn about Walt Disney? Walt was obviously the visionary, right? And Roy, his brother, was more like the CFO, CEO, is that correct?

John: That's correct. Walt was an incredible leader but not a very good manager.

David: Okay.

John: So he was the incredible imagineer. He was the original imagineer, if you want to use that term. He had Roy by his side, his brother, who was the finance, the comptroller, he understood the operations, he made sure things were being done correctly. Walt always got him in trouble because Walt ... they would put a film together and then they would go broke. And then the film just started to break even and Walt would be on the next project. And he'd say, "Well wait a minute, we just got our head above water." "No, go find out the money."

So Walt had that understanding of trying to figure out what people really wanted. That's what I love. He had a great statement. He said, "You don't build a product for what people need. You find out what they want and you build it for them."

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David: Yes.

John: It was interesting, his wife once said when he was ready to build Disneyland, his wife said, "Walt, why on Earth would you want to build a park like that? Those amusement parks, they're disgusting, Walt. They're terrible." He said, "Because mine won't be." And because he had a vision of not being the same one.

I studied Walt a long time while I was working at Disney. I became a sponge of the model and I just tried to learn as much ... One of the things that Walt really taught me, I share this in my workshops, I share it in my keynotes, and even in coaching, one of the things Walt said, "Whatever you do, whether it's a team, whether it's your business, whether it's your marriage, whatever it is, try to plus it by one." Just try to add one more special, make it a little bit more special, whatever it is. And it doesn't have to be big. It can be just something simple. That's what he lived by. He used to drive people crazy because it would be perfect and Walt would look at it and say, "We've got to plus it by one more." And of course, that would cost more money and Roy would go crazy.

It's interesting, when I was at Disney, Michael Eisner was the CEO and believe it or not, whether people liked him or didn't like him, I really admired Michael Eisner because he was about as close as you could get to Walt as Walt Disney World Company ever had. He had another gentleman next to him, his name was Frank Wells, he was his right-hand man, and he was the Roy. And unfortunately, Frank Wells was tragically killed in a helicopter crash and Michael Eisner never replaced him. That was the slow demise of really Michael Eisner because he couldn't do both, just like Walt couldn't do both.

So I always loved listening to the vision that he had but more importantly, he had some unique leadership style that was

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different than just managing people. He led people and inspired people. And still does today even though he's no longer with us.

David: Thanks for sharing that. I really loved hearing those stories about how Walt and Roy worked together. I think your point so well taken, is that, we can't be all things. Everybody has their seat, as you said, and if you're the business owner with the vision, then you can't be the manager too. You can't expect to do all those things. That's where we get so frustrated because we think we're supposed to.

So I think you sharing that with a culture that we can all identify with, that being Disney, that really, really helps to see how we can all set ourselves apart. This day and age, we don't have to be like everybody else. As you said earlier, there's a dental office on every corner today. We don't have to be just another one of those, but takes that leadership, takes that vision, takes that purpose, as you so well espoused.

John: That's right, David.

David: I want to leave with one last thing.

John: One more just to add to it quickly. One of the other things that made Walt such an incredible leader was he was always asking tons of questions. He was always seeking advice and information from, I mean, he knew he didn't have all the answers. But he would go up to a conductor of a train and ask him how trains would run. He was curious about it so he'd always ask.

One of the things, I looked at what he did and you look at today's world, there's so many avenues that we have as leaders, as coaches, as entrepreneurs, we have so many avenues to seek information, seek insight from so many people.

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You know, you and I belong to a great mastermind. The benefits of that is incredible just because we all bring different things to the table and we all learn. I always get humbled every time I go to one of the masterminds because, one, it makes me even better. I might be extremely successful, I might have a great, fantastic year. Then I sit in in a mastermind with people like you and others and I say, "Gosh, there's so much more I can be doing. There's so much more I need to stretch myself."

And Walt always looked at it that way. He always said, "What can I do to grab some other information from someone else?" You know, maybe they didn't call them masterminds back then, David, maybe that's the new word now, but I bet you if you had asked Walt to join a mastermind, he would have been the first one signing up. He realized that he could learn all kinds of things from other people and get other people's perspectives.

Because you think about, whether it's a movie, whether it's a theme park, there are billions of different diverse people that are going to be utilizing these services and he wanted to figure out how to please everybody. How to make a product or service that everybody would want, not just one type of customer. That's what you and I do, that's what dentists do, they have all kinds of different customers and clients and we need to make sure that we do the greatest job that we can.

David: John, very well said. Well listen, you're going to be keynoting our next upcoming mastermind in November and there was something that you and I left with in our mastermind in L.A. last week. It was actually something you said after our two days, it's something I think that all of us felt. Could you just quickly relay that? Summarize what you said when we ended our mastermind last week because I think everybody has that same feeling.

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John: Absolutely. David, we are extremely busy and that's good. When we're busy, when I'm busy, that means I am traveling around the world speaking and coaching and doing workshops. And we sometimes think of ourselves like, "Why do I go to a mastermind? I'm already successful. I'm already doing okay. I'm working on autopilot here. I'm doing the things that I'm supposed to be doing and my business is moving in the right direction. Do I really need to go on a plane and make hotel reservations and take time out of my busy schedule?" Maybe even sometimes I'm away from my family to go to a mastermind.

I sat in the mastermind last week and, again, all these doubts, and "Really, do I need to do this?" I'm telling you, it took less than half an hour, or even less than that, because I started to talk to people before we even started the mastermind. And I'm picking up a golden nugget here. Information here. Insight here. The more I listened to the people in that mastermind and what I love about masterminds is, sometimes I don't have anything that I want to get better at, I just want to listen and be a sponge. And these things, maybe that may not apply today but a month from now, I got an answer to something that I want and use.

I think all of us look at masterminds, that there's so much benefit, so much value out of it, that it humbles us to realize we don't know all the answers and there's so many people out there, any industry, whether you're all dentists, or whether you're a diverse group of people, one small gold nugget might make a whole big difference in your business. To transform it. To give you freedom. To give you success. To give you whatever you want. You might get that one little idea and you never know where it might come from and you never know when.

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So I'm going to every mastermind I possibly can. There's no doubt. And I can't wait to go to yours David because, again, I hope you don't mind, I'm just going to be a sponge and just absorb all the knowledge and experience in that room because I tell you what, I'm going to walk away with so much from all of you.

David: Well and we know we're going to get so much from you. I can't wait to hear more of what you're going to bring us. This is being a short segment today but so much more to come so, Mr. John Formica, America's customer experience coach. I just again want to thank you for your time and so much look forward to seeing you very shortly.

John: Thanks, David.

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