

Developing Your Company's Core Values

*by Tom Garrity
Managing Partner,
Compass Point, LCC*

Core Values Are The Foundation of Your Culture

Culture Eats Strategy's Lunch Everyday

Human beings hunger to belong to something good, strong, and lasting. In business, these are your Core Values.

Core Values are simply a handful of rules that your company has in place and lives by regularly. Most companies have not stopped to clearly define their Core Values, but they do exist and companies operate by them each day (whether you have defined them, or your employees have, they do exist). The more clear and deliberate you are in your Core Values, the better for your culture and the easier the path from Good to Great.

Your Core Values are not right or wrong, they are just yours. These Core Values become an important part of your hiring and retention because they define the 'who' is on the team. You can always teach skills, but it is very difficult to teach values. When values collide, relationships break down. And business is one big relationship.

Here's a story to illustrate how Core Values work. Several years ago a Dell executive was a new father and he attended a Parent Effectiveness Training (PET) class to sharpen his parenting skills. He came in one morning and explained to his counterparts that parenting was very similar to being a great leader – it only required 3 simple actions:

- 1) Have a handful of rules (not too many)
- 2) Share and repeat them often (regularly)
- 3) Live by them yourself (model them)

The simplicity of this perspective is astounding and illustrates the importance and worth of Core Values. Remember, Core Values are NOT who you want to be as an organization, THEY ARE WHO YOU ARE TODAY. Too many companies post Core Values that are who they want to be, but then live quite differently from their Core Values. This is hypocrisy and will turn off team members and

create a chasm of credibility between leadership and team members.

In order for a Core Value to stand, it must withstand some important criteria and tests. The best is time and adversity, but for now, the 3 simple tests of a Core Value are:

- 1) Would you fire a team member who consistently or blatantly violated one of your Core Values?
- 2) Would your company be willing to take a financial hit (lose money) in order to maintain the integrity of a Core Value?
- 3) Is this Core Value alive among your team today (can you identify the name of a team member that is living out each of your Core Values in an energetic and obvious manner)?

Your employees want to be a part of a company that stands for something. If you don't like the culture you see in your company, look in your own shoes first. You have to live by what you say.

Then look at your leadership team and decide if they are aligned to the Core Values or not. If not, you probably need to make some changes. Everyone can see behavior that does not align with what is being said. And nothing will disengage employees faster than leadership not aligned with the Core Values of the company.

Get serious about defining the Core Values in your company, and then keep them alive every day by making them a part of your decision making, including who you hire. Your company will flourish.

Compass Point is a business consulting firm specializing in family-owned companies. We work primarily in the manufacturing, construction & professional service industries. We provide hands-on consulting & coaching to help businesses close performance gaps; give owners practical, actionable tools that drive growth; develop leaders and position the business for successful ownership transition – all on their terms.

Contact Tom at tgarrity@compasspt.com