

The Power of Values

“Focusing on values does not simplify your life. It gives meaning and direction — and a lot more complexity.”

*David Allen in
Getting Things Done*

Having a value system in place and communicating it to your stakeholders, including family, clients, and team members, is important to the success of the organization.

Having a well defined set of values provides benefit to the organization by:

1. Supplying a strong moral compass in making decisions.
2. Helping us make consistent and “right” decisions.
3. Giving direction in our interaction with team members, family members, and clients and in the community.
4. Playing a major role as you are defining your vision and establishing your goals, and defining your life purpose and business purpose.

Illustrations of How Values Direct Actions

Two major events in the 1980’s illustrate how two different companies dealt with crises situations according to their value systems. One company, Johnson & Johnson, reacted immediately when someone had tampered with the contents of Tylenol bottles already in the stores. They had replaced some of the pills with cyanide pills, resulting in some deaths. Johnson & Johnson quickly responded, pulling all Tylenol off the market at a cost of millions to the company, and within six months they had developed a tamper-proof lid. This quick and efficient reaction was a result of the core values of the company.

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According to then-president of Johnson & Johnson, David Clare, “Crisis planning did not see us through the tragedy nearly as much as the sound business management philosophy that is embodied in our credo. It was the credo that prompted the decisions that enabled us to make the right early decisions. . . .”

In 1989, the Exxon Valdez, an oil tanker carrying millions of gallons of oil, hit a reef in Prince William Sound, Alaska, creating devastation to wildlife and shoreline. Exxon was, in the minds of many people, slow to react to the crisis, and refused to communicate openly. We have seen a similar reaction by BP in the Gulf of Mexico oil spill in 2010.

Johnson & Johnson’s reputation was enhanced and they remained a company trusted by the public. However, the reputation of the two oil companies took a hit.

These are just a few cases where having a strong company value system in place has paid off (or would have paid off had one been in place).

A report by *Business Horizons* (September - October, 1991) stated that the writer had made “. . . contacts with 100 privately held companies, however only two that had articulated and communicated statements of their core values.”

A core value statement is important not only for a company with multiple employees, but also for the solopreneur. In fact, I think that each entrepreneur should have three value statements.

A Personal Value Statement

For the sake of our discussion, let’s assume integrity is ingrained in all of our values. These values guide your personal life as well as your business life. They might include moral values but are not limited to them. Your personal value list might include a date night with your spouse one night a week or getting home by a certain time each night, or not missing a child’s play, recital, or ballgame. It should list those things that are important to you. These are the values that you will live by, that will guide your personal decisions — there should be no room for compromise.

As you are developing your list, don’t fail to list a value because you are not able to honor it now. If it is important to you, list it and develop a plan that will put you in position to honor it at a defined date in the future.

Exercise IV — Defining Your Personal Values

Using Worksheet IV list your Top 10 Personal Values.

Worksheet IV

Personal Value Statement

Personal Value Statement for: _____

My top values are:

1.

2.

3.

4.

5.

6.

7.

8.

9.

10.



Each organization should have a statement of values which serves as its moral compass and the go to document for making sound and consistent business decisions.

Organization Value Statement

Each organization should have a statement of values which serves as its moral compass and the go to document for making sound and consistent business decisions. You should include team players in designing this statement. It should address team members, clients, family, government, the community, and any other stakeholders.

You cannot deliver these values just once. You must deliver them each and every time there is a connection to a stakeholder. The fact is that no matter the quality of work and the value you deliver 99% of the time, the stakeholders will focus on the 1% of the time you did not deliver.

I like Vince Lombardi's quote on *What It Takes To Be Number One*:

Winning is not a sometimes thing; it's an all the time thing. You don't win once in a while; you don't do things right once in a while; you do them right all the time. Winning is a habit. Unfortunately, so is losing.

There is no room for second place. There is only one place in my game, and that's first place. I have finished second twice in my time at Green Bay, and I don't ever want to finish second again. There is a second place bowl game, but it is a game for losers played by losers. It is and always has been an American zeal to be first in anything we do, and to win, and to win, and to win.

Every time a football player goes to ply his trade he's got to play from the ground up - from the soles of his feet right up to his head. Every inch of him has to play. Some guys play with their heads. That's O.K. you've got to be smart to be number one in any business. But more importantly, you've got to play with your heart, with every fiber of your body. If you're lucky enough to find a guy with a lot of head and a lot of heart, he's never going to come off the field second.

Running a football team is no different than running any other kind of organization - an army, a political party or a business. The principles are the same. The object is to win - to beat the other guy. Maybe that sounds hard or cruel. I don't think it is.

It is a reality of life that men are competitive and the most competitive games draw the most competitive men. That's why they are there - to compete. To know the rules and objectives when they get in the game. The object is to win fairly, squarely, by the rules - but to win.

And in truth, I've never known a man worth his salt who in the long run, deep down in his heart didn't appreciate the grind, the discipline. There is something in good men that really yearns for discipline and the harsh reality of head to head combat.

I don't say these things because I believe in the "brute" nature of man or that men must be brutalized to be combative. I believe in God, and I believe in human decency. But I firmly believe that any man's finest hour - his greatest fulfillment to all he holds dear - is that moment when he has to work his heart out in a good cause and he's exhausted on the field of battle - victorious.

You cannot deliver these values just once. You must deliver them each and every time.

Relate if you will, the comparison of winning in football to being successful in business. And in the first paragraph, replace “winning” with “adhering to your values.”

Let’s look at an example of an advisor planning a client appreciation event. The engraved invitations go out to selected “A” clients. The event will be at 5-star restaurant. Everything is first class. However as a parting gift, the guests receive a cheap coffee mug with the advisor’s logo. What will they remember? What act set the value standard for the event? Unfortunately, often it will be the lowest value delivery.

Every time you make a connection, you must diligently deliver the promised value.

Let’s look at sample value statements from Merck and from Walmart. Read them to jump start your thinking on creating your value statement.

Merck's Values

“To preserve and improve human life.” At Merck, “corporate conduct is inseparable from the conduct of individual employees in the performance of their work. Every Merck employee is responsible for adhering to business practices that are in accordance with the letter and spirit of the applicable laws and with ethical principles that reflect the highest standards of corporate and individual behavior. . . .

“At Merck, we are committed to the highest standards of ethics and integrity. We are responsible to our customers, to Merck employees and their families, to the environments we inhabit, and to the societies we serve worldwide. In discharging our responsibilities, we do not take professional or ethical shortcuts. Our interactions with all segments of society must reflect the high standards we profess.”

Walmart's Values

“Sam Walton built Wal-Mart on the revolutionary philosophies of excellence in the workplace, customer service and always having the lowest prices. We have always stayed true to the Three Basic Beliefs Mr. Sam established in 1962:

Respect the Individual —“Our people make the difference’ is not a meaningless slogan. It’s a reality at Wal-Mart. We are a group of dedicated, hardworking, ordinary people who have teamed together to accomplish extraordinary things. We have very different backgrounds, different colors and different beliefs, but we do believe that every individual deserves to be treated with respect and dignity.” — Don Soderquist, Senior Vice Chairman of Wal-Mart Stores, Inc.

Service to Our Customers — “We want our customers to trust in our pricing philosophy and to always be able to find the lowest prices with the best possible service. We’re



**“You are either
the same or
you are
different.”**

—Aristotle

nothing without our customers. Wal-Mart's culture has always stressed the importance of Customer Service. Our Associate base across the country is as diverse as the communities in which we have Wal-Mart stores. This allows us to provide the Customer Service expected from each individual customer that walks into our stores.” — Tom Coughlin, President and chief executive officer, Wal-Mart Stores division

Strive for Excellence — “New ideas and goals make us reach further than ever before. We try to find new and innovative ways to push our boundaries and constantly improve. Sam was never satisfied that prices were as low as they needed to be or that our product's quality was as high as they deserved - he believed in the concept of striving for excellence before it became a fashionable concept.” — Lee Scott, President and chief executive officer of Wal-Mart Stores, Inc.

Unique Value Proposition (UVP)

It is rare to see individuals in sales who have a clearly defined Unique Value Proposition. But it is so important to think through your UVP. After all, this is the element that differentiates you from the competition. This is the identity that keeps you from being a commodity and keeps price from being the sole differentiator.

Are you the same as your competition or are you different? What differentiates you? There are basically 3 areas where we can differentiate ourselves:

- Quality
- Service
- Price

You can differentiate yourself using two of these strategies, but not all three. Frankly, if you try to use all three, you will soon be out of business. And if they choose you or your product or service because of price, they will soon leave you because of price.

And if you choose one or both of the other two—service or quality—superior quality or superior service must be defined. When I ask for a firm's UVP, I most often get the answer, “great service.” However this is what everyone says. It is ok to use service or quality, however, you must define exactly what your deliverables will be.

Exercise V — Defining Your Unique Value Proposition

First you should become an expert in an area that you enjoy doing and through which you can provide high value. Next, brainstorm the things that make you different by using this five step process to uncover your uniqueness:



***Are you the
same as your
competition or
are you
different?
What
differentiates
you?***

1. List all the problems and opportunities your target market faces.
2. Rate your competitors on a scale of 1-10 on how well they meet the needs of the market.
3. Rate yourself using the same scale of how well you meet those needs.
4. Compare your scores with the scores of your competitors. Those areas where there is the greatest positive difference are where you should differentiate yourself.

To clearly define your UVP will take a lot of hard work and a lot of time and a lot of soul searching. But you should take this exercise very seriously. This is what will set you apart from the competition in your prospects' eyes. This, if defined and communicated effectively, will increase your sales substantially.