

A Values Umbrella Helps Handle the Rain

By Allen J. Huth

Faced with a poor quality product in the marketplace, the company's leadership team has to decide whether or not to initiate a recall. Another company must decide to play the game of supplier kickbacks to save its margins, or suffer reduced profits. How do leadership teams make such difficult decisions?

In the warp speed of today's business environment, many leadership teams have not built an umbrella of values that guide the decision making process. In fact, many leadership teams make such decisions without much thought, due to the pressure of the moment, or they avoid decision making, hoping problems will correct on their own. Neither course is a very solid place to stand when difficult decisions rain down on the leadership team.

Many of our clients have found a discussion of values a tremendous asset in making decisions; not only the tough ones, but the day-to-day ones that ultimately determine the performance of the company. Yet, discussing values is not done in the normal course of business. It is often ignored, or thought of as hallowed ground, and thus never discussed. How can your leadership team create a values umbrella?

Identify your personal business values.

Start with a list of values and personally decide what your top five are at work. Think about how you currently make decisions. What values drive your decision making thought process?

Meet together and share your personal business values.

Share with your leadership team the top five personal values, starting with each person's number one, number two, etc., until each participant's top five have been identified. In the most recent session I conducted, from a list of 20 values, 13 made someone's top five list, illustrating how hard it may be to reach consensus.

Reduce the list to five values.

Discuss which values can be dropped from the list and why. Which ones must remain? The discussion should not be rushed. It is very important to hear the heart and mind of each person as you discuss what people will and will not give on. Can you combine values or keep more than five? No, that is an easy way to avoid the difficult task of narrowing the list.

Prioritize the top five values.

After five remain, discuss which one is number one, number two, and so on. I have seen leadership teams battle intensely over the position of each value knowing the impending significance of the final list. Again, listening to each participant's rationale is part of the reason the exercise has so much value.

Share your values umbrella with others.

Once the list is finalized, share it with others in the business. It is important for everyone to understand the values that drive decision making in the organization, according to the leadership team.

Below are three examples of different organizations and their top five values for making decisions.

	<i>Company A</i>	<i>Company B</i>	<i>Company C</i>
1.	Profit	Integrity & Ethics	Integrity & Ethics
2.	<i>Quality</i>	<i>People Development</i>	<i>Hard Work</i>
3.	<i>Integrity & Ethics</i>	<i>Reputation</i>	<i>Service</i>
4.	<i>Service</i>	<i>Service</i>	<i>Quality</i>
5.	<i>Reputation</i>	<i>Innovation</i>	<i>Innovation</i>

From the three examples, can you tell which organization is an engineering firm, a chemical business, or a government agency? Check our web site for the answers (www.amerbusinessadvisors.com).

How would each organization handle a recall issue? Organization A would weigh the impact on profit above all other considerations. Organization B would possibly act the quickest because integrity & ethics and reputation are first and third. Organization C may work hard to figure out what went wrong and try to address product quality with service. Each organization would take a different approach based on its values umbrella.

Most leadership teams understand the benefit is realized from the discussion of team members' values and the decision making process, not just the final prioritized list. Before problems rain, not during the storm, is the time to create your values umbrella.

Originally published in The Strategic Edge™, Spring 2000 issue, published by American Business Advisors, Inc., Englewood, Colorado, © 2000, American Business Advisors, Inc. – All Rights Reserved.