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Turn Your Values into Value

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In this article, I will take you through the first stage in the process of leading a best-in-class values-based business: translating your values into a business proposition. I discuss common myths and offer examples of how to capitalize your values effectively.

DR. MARK S. ALBION, CO-FOUNDER, NET IMPACT

Turn Your *Values* into Value

“Everyone is always trying to find out, ‘How can my business be different from someone else’s? How can my business be unusual? Well, don’t look too far, because the way that your business can be unusual is by having it reflect yourself. Everybody is different, and if your business actually reflects you as an individual, it’s going to be different. My business expresses who I am.”

– **Judy Wicks**, founder and CEO of Philadelphia’s White Dog Café, where “good food and fun lure innocent customers into social activism.”

Why are Your Values Important?

Leadership starts with you – who you are, what you care about, and what you want to see happen. Business is about the creation of value. Your job is to orchestrate how that value is created. So how can you create market value if you do not know what your values are?

The day you launch your company, you are its first product. You must sell your values, mission and uniqueness to others. Rational market-value arguments are important, of course. But that alone won’t do it. Whether you’re trying to attract employees, customers or investors, it’s not just about the finance. It’s also about the *romance*.

You need to engage people’s emotions. To change their behavior, to get them on board, they must feel your excitement. When they feel it, you’ll be on your way to creating value. Engaging people comes first. The actual product or service is secondary.

That excitement, those feelings, come from you. It all starts with *actualizing* yourself, communicated through acts of leadership. What do you need to do? Let's look at three myths and their counterexamples for guidance.

Myth 1: Leave your personality, your values at the door. This is business.

Truth 1: Bring all of you to work – It's your values that produce unique value.

If you leave what is most special about you at home, how can you make a unique contribution to the world? And who wants to live that way anyway?

Fast talking, fast thinking and always direct, David Berge, president of the innovative social venture fund *Underdog Ventures*, says that in hiring top people, "When someone comes to me for a job, the last thing I want to hear is how they want to do what I do. What I want to know is who they are, what they want to do, and how they think that would benefit the company. It might take them longer to find a job, or start a company, but when they do, it'll be the right one."

In the days of the great British armadas, sailors lined up to go to the ends of the earth (literally, they thought!) for what was called the "Queen's Great Matter." They sailed for the "greatness of Britain and her Queen." So, what is your great matter?

The first question you must answer as a values-based leader therefore, is, *Why* are we here? *Why* are we doing this? *Why* are we giving our precious life energy or hard earned money to this endeavor? It requires you to be personal and to touch people emotionally. After all, you want people as committed as you are.

Whom you attract will make all the difference to your future success. My values-based companies with the best, most innovative products failed, and those without the great products at the start did well. Why? Because building a successful company is not primarily about the products. It's about the *people*. The right people can overcome the wrong products and even inadequate financing most times. And you get those people by being clear about why your enterprise is important and what its values are. Then you must act on those values. After that, you'll find the right products – together.

Myth 2: You need more business experience/business background to run a business.

Truth 2: Study the humanities and get service experience.

It's been said that building a business is like trying to ride a bicycle while you put it together. Values-based leadership is about offering something uniquely based on your values. You have the values, the uniqueness, so if the will is there, you'll learn what you need to know on the job. As the business grows, you'll hire expertise to fill in the gaps. *The key leadership skill is knowing how to build relationships with diverse*

groups of people. What kind of background and experience best allows you to do this?

During the first half of the 1990s, I examined the characteristics of successful values-based leaders in the United States for a report to the United Nations. What I found was that many of them had worked in less developed countries or in disadvantaged areas in the U.S. for at least a year or two. From these cross-cultural service experiences, with access to limited budgets and resources, they developed competence in working with diverse groups of people, compassion for those different from them, and commitment to a business concept that serves humanity.

I believe that many individuals have had this experience. For example, Linda Mason and Roger Brown, founders of the *Bright Horizons Family Solutions* worksite childcare and early education centers, previously worked in the Sudan for *Save the Children*. They organized distribution logistics to get food more efficiently to outlying areas with starving children. That non-profit work gave them the credibility to obtain venture funding from Bain Capital to start their for-profit enterprise.

CEO of *Wild Planet Toys* Danny Grossman is fluent in Russian. He served as a foreign diplomat in Leningrad and human rights officer at the State Department. *Honest Tea* CEO Seth Goldman worked for a year in China, followed by a year and a half in the former Soviet Union. *SVN* co-executive director Deb Nelson was a Peace Corps volunteer in Cameroon, West Africa. And Jane Hileman, CEO of the *American Reading Company*, was a public school teacher for 28 years in our inner cities.

Regarding educational experience, a growing number of younger values-based leaders have gone to business schools. But first, many received undergraduate degrees in language studies, religion, history and English. The ability to communicate clearly in writing and speech is a critical skill for business leaders.

Myth 3: Once values are set, that's it, and it's clear how that leads to value.

Truth 3: Values Don't Change but They Do Evolve

It's easy to forget yourself in your work. On a regular basis, it's important to stop and check in on yourself, your values and your company's direction. Times change and while values don't, how you *implement* them may need adjustment. If you don't adjust, you might find your work less satisfying personally and less profitable professionally.

This is particularly true if you take over a company you didn't found. While you probably buy into the values and the mission, they aren't exactly yours. As time passes, they also may need to take on a different form in the market. That's what happened when *Utne* magazine chair and CEO Nina Utne took over husband Eric's company in 2001.

Nina realized that the magazine had to be revamped, though it took her four years to get clarity, to overcome Myth #3. She explains: “I felt like I was entrusted with a precious resource and asked to steward it. But it took me all this time to realize that I’ve been curating *Eric’s* 20-year old vision and values.”

“Eric asked 20 years ago, ‘What does the world need now?’ It was a different information landscape. Today, there’s even more clutter, and I believe what we need is different. We still need models of the way things can work, but more important, we need to encourage the evolution of the heart. Simply said, what we need is more love, sweet love.” Nina has gone on to change the name and evolve the positioning of the magazine.

I’ve also found that it’s rare that you start a company to do something and end up doing exactly that. You may do more or less or ... something completely different. And it will always take longer than expected. You’re never sure exactly what your world will look like when your company hits what Gary Erickson of *Clif Bar* calls that “sweet spot when the pieces just seem to fit together.”

Similarly, your values may deepen. For example, when Gary Hirshberg first joined Samuel Kaymen, who had a small New Hampshire yogurt company called *Stonyfield Farm*, their mission was to help local dairy farmers who were being paid less for milk than it cost to produce. Gary and Samuel wanted to pay them more.

Now these farmers are a proud lot, especially the independent farmers. So, in order to pay them more, Gary and Samuel had to ask for more. They did. They asked for higher quality milk and cultures. That led to organic milk and yogurt, which led to a mission of increasing the production of organic foods worldwide.

Eric Friedenwald-Fishman’s communications firm, *The Metropolitan Group*, serves social purpose groups. Originally they served only commercial clients. Eric explains: “We liked being activists in college, but didn’t think we could do that type of work for non-profits and actually get paid enough for it.” After doing some free promotion for a few, however, one asked if Eric would continue on in a paid capacity. Still, it wasn’t much.

With one year and \$90,000 in sales under their belts, the four founders went on a retreat and asked themselves, “What work were you proud of this past year?” The top answers were the non-profits, which had grown to nearly half of their sales revenue. When they figured out that the difference in profit margin from commercial clients wasn’t that much, they focused on migrating their client base. They developed a fund-raising expertise as well, and today, 100% of their clients are social purpose groups.

Turning values into value is a gradual process of finding your way, finding what products or services work, finding what stirs your passion and finding what makes you feel good. Just be careful that you migrate *toward* your values, not away from them.

Mistakes: What if you don't hold your values sacred in building your company?

It's better to fail trying to do what you really care about than to succeed at something else.

Make no mistake. It's not easy to succeed. It's hard to keep your values intact and be successful in the marketplace. One of the biggest decisions early on is how to handle the opportunities that come your way, each with its pluses and minuses, none with all the values and economics you'd like. Those decisions can make or break you.

So much of leadership is saying no, not yes, of waiting it out for the market to catch up to you. So much of building a company is turning down deals, firing customers who aren't compatible with your values and social missions, and letting go employees who were with you at the start, who are your friends, but who no longer have the capabilities required by a larger company. In the short-term, however, financial needs can obscure everything else.

In the late 1980s, I started a company to develop computer-based interactive video programs on social issues. My concept was to sell these programs to corporations who would sponsor them in schools. Children would learn about human rights and the environment in fun, interactive ways. The sponsors would get good public relations with the children, teachers and parents.

After a few years of only sporadic sales, I met with a former marketing client who mentioned how difficult it was for employees to learn the values of the company. "It takes a dozen years for them to understand what we're really about," he admitted in frustration. "They don't read our corporate materials or watch the videos. We can't afford to send everyone to management retreats. What about your software, Mark? It does make the material more engaging. Do you think you could do something for us?"

I did. We became a provider of low-cost training programs on corporate values. Finances picked up, but it wasn't what I'd set out to do. I sold out a few years later.

As the leader of a values-based company, you must be true to those values, not just in speech but also in action – particularly when it's most difficult. It can require more patience and feel very lonely. But if you don't do it, who will?

Doing It Right: True to Yourself

Tami Simon is the founder and CEO of *Sounds True*, the largest producer of spiritual audio programs in the world. Tami is integrity. I mean "integrity" in psychologist Erich Fromm's terms as "an unwillingness to violate one's own identity." Tami is *Sounds True* and *Sounds True* is Tami. In terms of values, they are one.

Tami is that rare blend of the highly competent and highly compassionate businessperson. Her commitment to her cause – *to disseminate spiritual wisdom* – comes through clearly, too. She is unusually direct. I've done business with Tami. She has said yes, and she has said no. Both felt right to me. She's decisive, yet inclusive. She makes tough decisions, yet they are fair. It's because she's so connected with

what *Sounds True* is and is trying to do. And she works hard to understand who you are and what your needs are.

“As a leader,” Tami begins, “you must be clear and authentic on why we are doing this, why *you* are doing this. I just don’t get that excited about making money. *It’s not where I spend my dreamtime.* That time is spent asking questions like, ‘What will create the greatest shifts in consciousness?’”

Tami believes she is standing in something that she completely believes in, something that she’s willing to give her life energy to. And it fits her gifts and abilities to contribute to the world. How did she get there? It took reflection, trial and error, and a wise advisor.

Tami dropped out of Swarthmore College after two years and spent the next year in India. She was a religion major, but she didn’t want to teach. She felt that people didn’t realize their connection to each other. “That’s the fabric of existence, how our identity as sentient beings is interrelated with each other.”

Tami returned to the U.S. and prayed every day for six months, looking for a sign of what she should do, what values she should bring to the world. She kept asking, “How can I contribute meaningfully?” She felt she was wasting all her education and talent.

Tami was never much of a reader but was always fascinated with speech and music. When her father died, she inherited \$50,000. She was ready to lead her own life and wanted to do it with a level of passion and commitment that was extraordinary.

Tami had a radio show at the time, but she knew that wasn’t it. One day she had a long conversation with Jirka Rysavy, the founder of office supplier *Corporate Express* and in 1988, *Gaiam*, a healthy lifestyle company. He responded by simply saying, “You know what to do Tami. So *why don’t you put your money into yourself?*” When she left his office, “My awareness, my whole body shifted, and I knew that my work would be to create channels for disseminating spiritual wisdom.”

How’d she create \$12 million *Sounds True* while staying true to her values? “My fire attracted other people. When you have a strong vision, you can cut through the b-s.”

Sounds True’s culture is like its product. It, too, has a truth-telling quality to it. Tami created a culture of truth telling where her job is to bring up “what I sense are the ‘undiscussables’ – ‘What’s not being said? Where are the shadows in the office?’ You need to do that to get things done.”

Tami brings out specific issues like, “Why is this person making more than that person?” or “What are Tami’s long-term plans?” or “This is a pet project of an author we like: Is that why we’re doing it even if it’s not going to be a big seller?” She challenges herself to come forward with no secrets. Partially, it’s because she doesn’t believe there are secrets in a company. People know.

How then does Tami see her role as a values-based leader? “I simply help articulate the subtext. The way things *feel* between us is important to me. I can tell if people are upset and I don’t like to sweep things under the rug. I attract people who challenge me, who don’t say yes. I reward disagreement, beginning with a simple ‘thank you’ to them.”

Like Tami, *Sounds True* disseminates *truth*. The truth is that over twenty years, there’ve been bumps in bringing these values to market. Tami has had to get comfortable with how big a company *Sounds True* may become. She’s had to become more aware of the business side, as values and value are not always compatible. At times, her work has felt like “being in a desert,” so she has taken more personal time. For years she wouldn’t leave the office if there were one more thing to do, one more call to return. No longer.

Similarly, she has been less involved in decision making the past few years. Each person has a high degree of independence and flexibility at the company. She sees the company as a great opportunity for everyone, a vehicle to bring their voices into the world. “How could I have a greater sense of contribution than through *Sounds True*?”

Tami’s future may see more time spent away from the company, though her mission will remain the same. She will continue to put her values front and center in whatever she does. She will continue to be true to herself.

How to Improve: Connect to More of Yourself

Nobody will love your business the way you do. Its spirit is your spirit.

Values are personal. Business is personal. The more you connect your business to you and you to the business, the more successful you’ll be personally and professionally. There should be no separation in policy or practice between how you act and how your business operates. But first, you need to first answer the whys, whats and hows of your business for yourself and others involved. That is, why are we doing this, what do we need to do, and how do we get it done.

Here are five questions to ask yourself to help you turn your values into value:

1. How do you see what your company does as an outgrowth of you and your interests?

Can you list how the circumstances of your life led you to pursue current products/services? Can you connect what your company does with important experiences in your past? Can you explain the connection of your life with what your company does?

2. What are the specific ways you transmit your values and commitment to others?

Does everyone know what your company’s mission and values are? Do they believe in them, and do you show that you believe in them, too, through your

words and actions? Do you compensate people in accordance with these values?

3. *What do you do when values-based decisions have conflicting goals?*

How do you make trade-offs among stakeholders who are impacted differently by a decision? If values conflict with financial opportunity, does a manager know what to do, or do they have to come to you? Are you consistent in upholding these criteria?

4. *How do you re-evaluate your role in keeping the values and creating market value?*

Do you have a regularly scheduled process to evaluate your role? Who runs the process? What changes have you made, or are you thinking of making?

5. *How do you deal with the role of values in tough times?*

What do you do about expressing your values in the marketplace when sales are down? How do you deal with a product failure that may be due to your values? How do you regularly re-evaluate the role of values in your company and in the marketplace?

Action Exercise: A Four-Step Process to Create a Values-to-Value Personal Inventory

Turning your values into market value is an iterative process that will increase your personal fulfillment and your company's competitiveness. It's important to regularly schedule a re-evaluation process for these values and their implementation.

The following is a personal four-step process that can be adapted for your company as well. For example, in the section on skills and gifts, you can substitute core competencies and key business relationships. The exercise can also be used to communicate and discuss values among key company staff, customers, investors, etc. I use *Bright Horizon's Family Solutions* childcare and early education centers as an example to guide you.

Step 1: What are your top six personal values? Get out a piece of paper, make a list down the left side of the paper (leave room for a second column on the right), and think about your values for as long as you need. Feel free to use your experience of whether or not your values are reflected presently or in any past occupations.

Example: Respect, Nurturing, Trust, Openness to Change, Balance, and Sustainability.

Step 2: How are these values of value to your company? Once you've determined what your values are, your second step is to create a *value* inventory for them. To the right of your list of values create a second column for the *value* of your values. Your

paper should now have two columns – one for your list of values and one for how each of those values can add value for your company.

In making your two-column list, you may want to think back to times when you weren't happy. What values did the job or your company not allow you to develop? Which were the values most important to your happiness and integral to your effectiveness? Recheck your two-column list and make any necessary changes.

Example: Improved Communication, High Quality Care, Credibility, Innovative, Good Health and Morale, and Long-Term Performance.

Step 3: The third step uses the same process as we used for values – just expand your list to include your passions and skills as well. If you like, you can do this on the same piece of paper, but most people like to use a separate piece of paper for their two-column analyses of their passions and their skills. You would then have three pieces of paper, each with two columns – one for values, one for passions and one for skills.

Example: Core Competencies – Good Listening, Experienced at Parenting, Transparency, Close to Key Corporate Clients, Patient Educators, and Cutting-Edge Practices.

Step 4: The fourth step is to combine these three separate lists of values, passions, and skills into *values-to-value* strategies. Take the necessary time to develop three of your own values-to-value strategies, prioritizing them in terms of importance to you and ease of implementation in your company. Then put one into action the next Monday.

Example: High priced, high quality services regularly updated by being on top of current research and expanded by evolving their services to meet changing parent and client needs.

This four-step process creates a values-to-value list, expanded to include passions and skills (or core competencies and key relationships) and then combined to develop three values-based personal strategies. It can be a time-consuming process, but I've found it invaluable. Work on the list over time, refining it as situations develop and change, and capitalize on these changes by consolidating them into your leadership plans.

Author Biography

Mark is a social entrepreneur and author. He spent eighteen years as a student and professor at Harvard University and its Business School, profiled on *60 Minutes* as a top young business professor in the United States. He consulted and sat on the boards of major retailers and consumer product giants Coca-Cola and Proctor & Gamble, and wrote three-award winning marketing books. He left Harvard to develop a community of service-minded MBAs and co-founded *Net Impact* in 1993, traveling to over 125 business schools on five continents, for which *Business Week* called him “the savior of b-school souls.”

During the last fifteen years, Mark began the *Making a Life, Making a Living*® 5000-word monthly newsletter, which is now read by students and executives in 87 countries (www.makingalife.com). He wrote the *New York Times* Business Best Seller by that name, followed by *Finding Work That Matters* (3-CDs) and as part of the Social Venture Network series, “True to Yourself: Leading a Values-Based Business.” Beginning Fall 2008, he will be touring business schools again with the release of his latest book, *More than Money: Questions Every MBA Needs to Answer*. Mark has been married for 27 years and has two daughters, one of whom is a *Net Impact* lifetime member. However, his daughters know him best as the man who rode across Afghanistan by horse.
