

# VALUES AS STRATEGY

By Jeanmarie Tenuto



When a company is able to make a genuine connection with the prospect, that moment of connection provides a foundation for loyalty, advocacy, and sustainability. This is the only, long-lasting strategic objective for any business.



When the owner of a medium-sized website development company was asked his opinion related to a corporation's website and its 'values' section he said, 'it's the last thing anyone looks at.' Values, much like the corporate mission statement, hang on a wall hook in a lobby like an empty vessel of words, promises and corporate mangling of intent wrapped between slices of profit and ROI.

The "Wizard of Westwood," John Wooden, former head coach at UCLA basketball said, "The true test of a man's character is what he does when no one is watching." Abraham Lincoln said, "action speaks louder than words." It was Mark Twain who said, "Action speaks louder than words but not nearly as often." Sources say that this expression dates back as far as 1628 to: "What you do carries more weight than what you say."

Trust is much the same way. As a matter of fact, the emotion of trust and the logical act which motivates trust are tied to two almond shaped neurons named the amygdala. Located deep within the brain, the amygdala is linked to both fear responses and a person's mental and emotional state. Thanks to these neurons, trust is unconsciously determined.

This is the part of the brain responsible for the fight-or-flight response. It is the trigger that essentially keeps us safe. Scientific history embedded the belief that trust is a psychological, philosophical, or intuitive reaction. Today, researchers in neuroscience, behavioral economics, and biology are proving that human trust is biologically grounded. This fact changes our understanding of human behavior and the landscape of what we have believed about this important aspect of human relationships, entirely.

## What does this have to do with business strategy?

*Value* as a strategy relates to one's judgment of what is important in life. We each have mutual values and through this mutuality, we connect with one another and form a trusting bond. It is through this connection we become loyal. It is in our biology to feel trust (or not) with one another accordingly assist and support each other. Therefore, these have become the basic principles of society.

## Values are reflected in what we actually do. These are the 'unwritten rules' of how people interact.

*Value* is the thread that will encourage interdependent working and support by building trust among each other. Values can also be structured negatively in a way that reduces trust and collaboration to emphasize such things as individual financial goals and independent excellence, creating an atmosphere of 'every person for them self.' This may emphasize competitiveness with the prospect of diminishing returns.

## What exactly is a value decree?

One of the formal definitions of *value* is to bring financial value to the organization. However, for purposes of this discussion, value is about principles. It grounds the decisions for each aspect of running the organization from its suppliers to the manufacturing processes, its hiring considerations to the strategic partner alignments, its governance to the growth roadmap, its employee training to the brand messaging. These are the areas that make an organization unique, setting it apart from competition to stand solid within its own framed identity.



Coca Cola Vision Statement Template, March 2015.  
<http://blogverde.com/coca-cola-vision-statement-template.html>

## Built on Values: Successful Strategic Alliances

The long-standing alliance between Walt Disney, Bill Hewlett and Dave Packard started back in **1938**. Walt Disney purchased oscillators to use in the sound design of "Fantasia" from HP. Later, when Disney wanted to develop a virtual attraction called Mission: SPACE, Disney Imagineers and HP engineers relied on HP's IT architecture, servers, and workstations to create Disney's most technologically advanced attraction. This relationship (should we call it friendship?) has been ongoing for almost 80 years.



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*Value* is not rooted in making money but rather in purpose, cause or belief. It's the very reason the organization exists. The value edict is not to be confused with the elevator speech or a unique selling proposition. Both of which are very important to the planning process.

## Ways to identify sustainable change for sustainable growth.

In the inspiring and thought-provoking Ted Talk® (and bestselling book), by Simon Sinek called "Start with Why?", Sinek explores us to examine and identify reasons business exists. His point is we tell people what we do and we tell them how we're different or special. Then, we expect to change and/or motivate their behavior like persuading into a purchase, casting a vote or supporting a cause. The problem is that these answers do not inspire action. Facts and figures make rational sense, but we don't make decisions purely based on facts and figures.

As Sinek has so eloquently expressed the process to define value is not to begin with the 'What.' The 'What' is about the commodities and its functionality. Rather, begin with the 'Why.' The 'Why' is the place where leaders draw from to inspire passion and action. When we first communicate our purpose or cause, we communicate in a way that drives decision making, motivates behavior and becomes contagious. It literally taps the part of the brain that inspires behavior. Peter Drucker, the famous management guru, was of the first to make this statement. He stated that profit is not the purpose of business. **Drucker explained the concept of profit maximization is not only meaningless, but dangerous.**

Before Drucker and still today, many companies believe that the basis to business existence, whatever the business, the goal should be to make profit. This might seem worthy to many and it may prove to be great for short-term gains. Profit and profitability are absolute requirements to run any business. However, this does not mean that profit is the basic purpose for the business.

Drucker noted profitability is an essential ingredient (as flour is to bread), which should be termed optimal instead maximum size.

Drucker noted that the primary test of any business is to achieve enough profit to give slack to the possibility of financial fluctuation and avoid disastrous loss and failure. And we might add, to achieve benefits for business and society. So profit is necessary, but not the purpose of business.

According to Drucker, there is only one purpose for a business to exist and that is to create a customer. This is because, as Drucker wrote, "The customer is the foundation of a business and keeps it in existence. He alone gives employment. To supply the wants and needs of a consumer, society entrusts wealth-producing resources to the business enterprise."

## Loyalty

People comprehend features, benefits, facts and figures, but does it actually drive behavior? Simon Sinek would refer to this as 'outside-in communications.' When we communicate from the inside-out, the communication is speaking directly to the part of the brain that controls behavior and decision-making, and

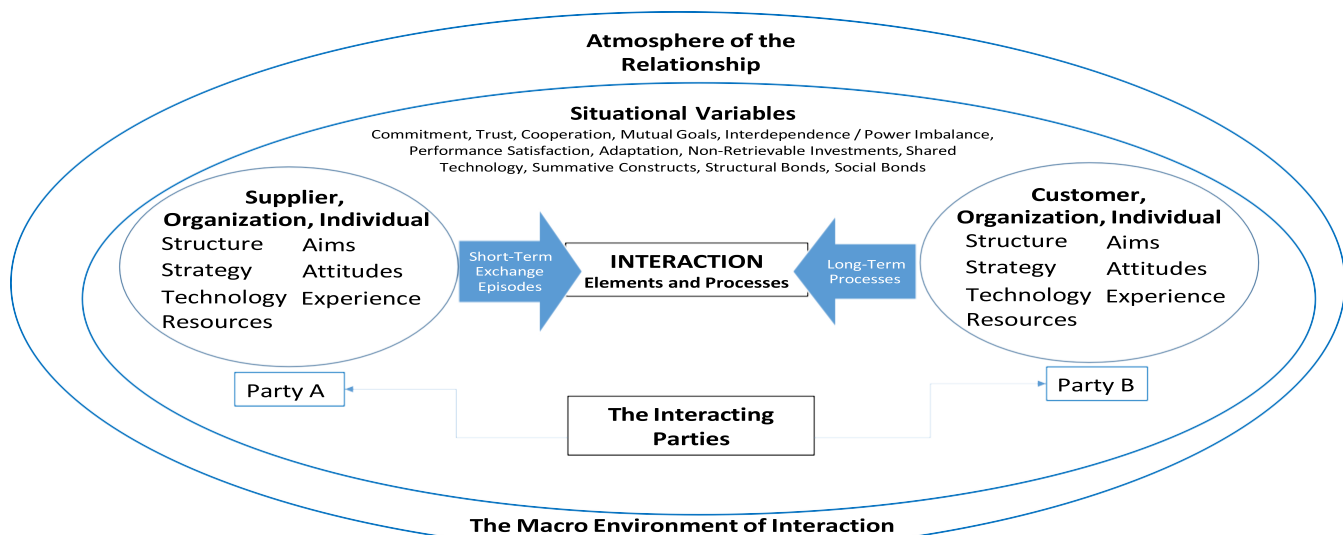
then people relate (trust / not trust) then rationalize their decisions.

We make choices because we *feel* we can trust them more. We buy things that we think are *worth* extra money even though all the facts and figures may indicate there is

no significant difference. We align to the familiar (values) with a consistent mental backing to those principles (trust) to create deep, inner loyalty. A business must hold itself and its employees, products, services, and processes accountable to your values and guiding principles. All that is said and all that you do must be consistent.

*Values as Strategy* addresses issues within the organization to create equilibrium and balance. To isolate the value offering, align with like-minded others (including new clients), who will go beyond the purchase to support your efforts to grow. People innately align with the familiar. It's comfortable. It's trusting. If you align your values with the value of your target market, and not with those who do not share similar values, your business will continue to strengthen over time while building a solid foundation for the long term, sustainably. It's biological.

**The only way people will know what you believe in is to say and do what you believe in and follow through with actions. Remain committed to uphold it with strong character.**



Market Size \*\*\* Structure and Dynamism \*\*\* Degree of Internationalization \*\*\* Social System

Graph inspired by: The Nature and Scope of Supplier-Customer Interaction. Source: Turnbull and Valla (1985)

# ACTION CHANGES THINGS

## HOW TO BEGIN?

All corporate entities have a human reason for which it was founded upon. This reason or purpose, when well defined and engrained into the system, is when people are connected to it at these deepest root. It will inspire and be the catalyst for remarkable achievement.

**Bringing Value as a Cultural Shift:** This is beyond the job of the front desk and beyond the workings of the P.R. department. It takes the entire enterprise to be committed.

### **Far more than Strategic Communications:**

From leaders (who inspire) to sr. executives

(who are inspired by the leader's vision and work to bring it to life) to those who produce the products, each person is involved with communications. To take particular focus upon those who are the "producers." This group must be collaborated with offering a great deal of concern and sincere understanding. These are the people who create the "yield" for the company. The yield includes what is said about the product, the promises, and they breathe life into the core deliverables. They make it tangible. Through everything they say and do, an organization can clearly communicate its purpose to the world by addressing these facts.

This clarity allows everyone who interacts with the organization to become champions of the cause. Ideally, this clarity starts at the top of the organization and moves through the company and inspires every person, every product, service, and piece of marketing. When everything you say and do echoes what you believe, you end up with a message that's loud and clear. Your messaging begins to take shape, repeatable and alive.

**Be the Receiver:** Follow the path of the process for which you put your customer through as well as the employee who must deliver through using that process. Much can be realized by simply walking in someone else's shoes.

**Governance of Value:** Value is a top-down mind set and should have proper governance with measurements towards success.

**Value from Inside Then Out:** Beginning with a comprehensive financial review, organizational structuring and operational alignment, the process reveals hidden opportunities and extracts value from undiscovered facets of the business.

**Productivity vs. Activity:** Often removing layers to streamline or realign resources for focus allows for the accelerated understanding identifying success points: staff insights, trend analysis, and forces of culture.

**Simplified Systems:** Integrating real-time, meaningful technologies allows for accurate management and impactful understanding as well as supporting growth and expansion into new markets.

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