Establishing Values for Your Business

1.1 Introduction

Welcome to SBA's online training course: Establishing Company Values.

SBA's Office of Entrepreneurship Education provides this self-paced training exercise as an introduction to establishing company values. You will find this course easy to follow and the subject matter indexed for quick reference and easy access. It will take about 30 minutes to complete the course. Additional time will be needed to review included resource materials and to complete the suggested next steps at the end of the course.

As audio is used throughout the training, please adjust your speakers accordingly. A transcript and keyboard shortcuts are available to assist further with user accessibility.

The highlighted Next Steps at the conclusion of the course will help you apply what you have learned and engage you in the process of establishing company values. When you complete the course, you will have the option of receiving a completion confirmation from the SBA.

1.2 Course Objectives

The course has four key objectives:

- One, discuss ways that establishing company values can benefit your business
- Two, list the steps in the process of establishing company values
- Three, list potential problems when establishing company values
- Four, list important considerations when implementing company values

1.3 Course Topics

This course will cover the topics that illustrate how establishing company values can improve your business's success:

- Why are values important to my business?
- How do I establish company values?
- What can go wrong?
- How do I implement my values in my business?

Additional resources are identified to assist you. Visit the resource icon in the course player or locate additional tools, templates, and mentors on SBA.gov once you finish the course.

Let's get started!

1.4 Why Are Values Important to My Business?

You may have heard a lot about corporate or company values lately. Consumers are becoming more and more interested in how the companies they support through purchases conduct business. Values can help you establish a shared societal value that makes your business more appealing to potential consumers.

Consumer curiosity and conscience is not the only reason to establish company values. Clear values can help keep a business on track because they provide a framework for decision-making and behavior, including hiring decisions and marketing practices.

Values also provide a coherent philosophy by which you and those who work for you can perform their jobs. When you have established a solid set of values that you consistently apply in your company, employees know what is expected of them and what they can expect from you, creating a stable and consistent working environment.

1.5 Values as Framework

Values-driven businesses can use value frameworks in hiring decisions, only hiring those who share the business values and maintaining an aligned work force.

Shared values can create a foundation for a passionate and committed workforce.

Values-based organizations often enjoy better teamwork, higher productivity, higher customer satisfaction, and lower employee turnover.

1.6 Customer Service Values

There are a lot of values that are worth assessing for your business. Let's start with customer service values. Some examples of customer service values are:

- Accuracy—Truth, correctness, and exactness in your dealings are important.
- Cleanliness—Cleanliness is important in your business operations and personnel, and in the physical ambience of your business.
- Maximum Utilization of Resources—This is a very important value for any business. Resources—human or otherwise—should be optimally utilized.
- Orderliness—Being organized is another important business value. Orderliness, or having everything in proper order, helps you in customer dealings, including making a good impression on customers.
- Punctuality and Timeliness—These qualities are appreciated in every arena of life, and business is no different. You should always be punctual in your business dealings. Appreciate the value of your own time and that of others.
- Quality of Products and Services—It's ultimately the quality of the products you deliver and the services you provide that makes a name for your business. Never compromise on quality.
- Regularity and Reliability—You should not be seen as a ―seasonal player.‖ That creates a perception that you are amateurish—not professional enough. Be regular in your dealings so that your customers see you as someone they can rely on.
- Responsiveness—Always have an ear for the customer. You should respond quickly and completely to your customers.
- Safety—Like punctuality, this is not a business-specific value. Put safety first in all your transactions.
- Speed of Operations—Time is money. The speed with which you operate indicates your commitment and adds value to your business.

1.7 Organizational Values

Other potential values you could focus on are organizational values, which include things like:

- Accountability—Be obligated for your transactions. You are answerable for your business dealings and to your customers. Never flee from taking the responsibility.
- Communications—Whether internal or external, communication is a key to the success of your business. You must communicate well with your employees, customers, and everyone else that you deal with.
- Cooperation/Teamwork—Cooperation and teamwork are essential if you want your organization to succeed. You should try to create your own team and seek their cooperation in and commitment to the common cause of making the business a successful one.
- Coordination—To run a business, you have to coordinate with many people on a daily basis. Whether you're working with a small supplier or a client from a key account, you have to have your coordination in place to run the business successfully.
- Discipline—Be disciplined in all your dealings and transactions. Encourage your employees to be disciplined as well. It adds immense value to your business.
- Freedom for Employees To Take Initiative—Encourage your employees to take initiative. Provide them with the freedom to do so. In this way the employees will feel and show more commitment and ownership, and will innovate more and more successfully.
- Integration—There should be integration among all the people who work in your organization. Even the processes need to be closely integrated. This will help you achieve success with your business venture.
- Standardization—Process, production, and every aspect of your business should be standardized. This helps you avoid unhappy surprises and helps to ensure that the business runs seamlessly.
- Systemization—Being systematic is very important because that enables you to create a plan for you and your team. Having systems in place is always helpful, because it makes everyone aware of the processes to be followed and standardizes the order of the steps of the processes.

1.8 Psychological Values

A final category of values includes psychological values, among them:

- Continuous Improvement—Both as an organization and as an individual, you should try continually to improve yourself. You should sustain a culture of continuous improvement in your organization.
- Creativity—Be creative and lead by example. Encourage your employees to be creative as well. Creativity and improvisation always open up new avenues.
- Customer Delight—Don't get stuck in customer satisfaction. Try to produce customer delight by giving something extra. It is the delight that will bring customers back to your business.

- Decisiveness—Be decisive in your judgments and choices. Don't suffer from indecision or dilemmas. Think and evaluate well before taking key decisions. But once decided, go ahead with your decisions.
- Employee Development—Sustain a culture of training and development in the organization. Try to develop the skills and knowledge of your employees in every way possible.
- Harmony—Harmony at the workplace is essential for the success of your business. There should be harmony among your business's personnel to ensure a smooth flow of work.
- Innovation—Innovation is often the key to success. While established processes are important, innovating your way out of a problem helps your business go the extra mile.
- Integrity—As an individual, every person in your organization should have basic integrity. Dishonesty or duplicity in any form is going to be harmful for your business and the work atmosphere.
- Loyalty—This is another very important value. Be it loyalty towards the customer, the employer, or the employee, loyalty is always to be fostered in your organization.
- Resourcefulness—Every person in the organization should have the willingness to help out the other. Resourcefulness, and the willingness to use the resources one has at his or her disposal for the benefit of the organization, are important values that can take your business to the next level.
- Respect for the Individual—Every individual is different and each one should be respected. Respect for difference and respect for every individual is one of the foundational values of any organization.
- Service to Society—We all know that the bottom line matters, but a pursuit of profitability alone is not very healthy for an organization. You should care for the society, the people, and the environment. Try to serve the society in whatever way you can, small or large.
- A Will To Succeed—A will to succeed is very important for the success of your venture. Every individual related to your business should have an untiring will to succeed. Only then will they be able to make your business a success.

1.9   How Do I Establish Company Values?

It is easier to establish values early in the life of a business. The earlier you commit to running your business in a values-oriented framework, the easier it will be to maintain your commitment. If you get into the habit of conducting business without a guiding set of principles, it will be more difficult to reorient.

1.10 Are You Committed?

Decide if you are truly committed to running a values-based company. Committing to values-based business will require patience and a willingness to forego opportunities that do not fall within your values framework. It may also require hard decisions when building your workforce.

1.11 Identify Personal Values

Identify your personal values. Be very honest and look for ways that you actually demonstrate your values in your day-to-day life; this will serve as confirmation of your personal values. Do not establish values you are not committed to simply because they sound good or because other companies have established them. You should also consider the applicability of a given value to your business. For example, if your business involves the systematic production of the same product, Standardization may be a good value to establish; Standardization is less relevant if your business requires creative solutions to each new problem presented by a customer.

1.12 Gather Values from Key Players

Gather the personal values of other key players in your business. In order to fully commit to running a values-based company, the entire organization must be committed. Without this commitment, you will not enjoy the benefits of running a values-based company.

1.13 Combine Values

Combine everyone's values and search for commonalities and conflicts. Look for areas where most people agree. Also consider areas where values conflict; what does this indicate about the way your business is currently being run?

1.14 Test Your Commitment

Test your commitment. Are you willing to hire or fire people based on whether they fit into your core values? This may be more difficult than you anticipate, especially when it comes to firing.

1.15 Narrow Down and Communicate

Narrow your values down to five to seven. Roll out your core values to everyone in the company. The rollout is very important. It must be implemented in a way that is accessible to the people within your organization.

1.16 Integrate Core Values

Integrate your core values into your management of people, your interactions with customers, and in every other area of your business. This is where the establishment of values really comes into play.

1.17 What Can Go Wrong?

Several things can go wrong when you are trying to establish values for your company. Click each item to learn more.

Not Communicated

One of the main things that can go wrong with establishing company values is failing to clearly communicate values to consumers and to employees. Once again, if the people who work for you are not operating based on your company values, then your business is not operating according to your company values.

Ignored

Another problem some people have is establishing values that they don't intend to really use. It's easy to state that your company is committed to certain values because they sound like good concepts to implement. However, if you do not intend to allow your employees the freedom to take initiative, for example, do not establish that as a company value. It sets an expectation that you will not meet and also creates a potential conflict between you and your employees and perhaps even you and your customers.

Unsupportable

Make sure that you avoid establishing values that the people in your company can't support. If you establish success as the priority value in your company, at any and all costs, it is unlikely that the people who work for you will be able to support the value in their day-to-day work. Similarly, if you value cooperation and teamwork but there are people in your company who refuse to work in a collaborative environment, you may have to choose between the people and the value.

Irrelevant

Failing to make the values relevant to the company's purpose is another problem people sometimes have when establishing company values. If your business produces a very traditional product for loyal, longstanding customers, it is unlikely that a value like innovation will be good for your company. Make sure that your values align with your business.

Unwieldy

You should try to narrow down to five to seven distinct values. It is difficult to really abide by too many criteria, especially if you are truly committed to running a values-based company. If you use your values as a framework for decision-making, it will be difficult to ensure that every decision meets every value if you establish too many values.

Not Prioritized

You should also rank values by importance. Occasionally, even the best thought out values conflict. If you establish both timeliness and quality as values, sometimes one value will have to give way to the other because there are times that you cannot meet both quality and time constraints. In those situations, what would you choose?

1.18 Implementing Values

When you are ready to implement your values, remember: Employees must internalize company values. One way to make your values clear from the beginning of employment is to include them in an employee manual, if you have one.

1.19 Use Values to Define Expected Behaviors

Convert your values into expected behaviors. Define how everyone in the company should act in order to make the value apparent.

1.20 Performance Reviews

Use company values as a basis for performance reviews. Correlate ratings to the desired behaviors specified for each value. This is also a good opportunity to give employees good feedback. Do you value their work?   Should they be doing more?   How can they improve? This kind of feedback reinforces the idea that you are devoted to cultivating a team with shared values working toward common goals.

1.21 Communicate Commitment with Rewards

Communicate your commitment to the values by providing rewards or recognition to those employees who ―walk the walk.‖

1.22 Hiring Strategy

Hire employees based on shared values.

1.23 Create a Vision and Strategic Plan

Create a values-based vision and strategic plan for your company. You can't move forward with a values-based organization if you don't include the values in your planning process. In addition, if you really want to run a values-based company, it is important to use your values as the basis for all of your planning and all of your business decisions.

1.24 Course Summary

Establishing values for your business can be a very important opportunity to enhance your workforce and provide customers with a well-articulated view of what your business represents. In this course, we:

- Discussed ways that establishing company values can benefit your business, including a more engaged productive workforce and customer interest
- Listed the steps in the process of establishing company values
- Listed potential problems when establishing company values, such as failure to promote buy-in and establishing too many values
- Listed important considerations when implementing company values, such as techniques for promoting buy-in and incorporating your values into your planning

1.25 Next Steps

Now what should you do? Follow these steps to establish and operate your values-based business.

Step 1) Commit to running a values-based business

Step 2) Identify core values

Step 3) Rank core values

Step 4) Promote buy-in for everyone in your company

Step 5) Operate your business within your values framework, using it to make key decisions

1.26 Resources

SBA has a broad network of skilled counselors and business development specialists. Below is a short description of our resource partners:

- Small Business Development Centers (SBDCs) are associated with institutions of higher education—universities, colleges, and community colleges. More than 900 SBDCs offer no-cost, extensive, one-on-one, long-term professional business advising, low-cost training and other specialized services such as procurement, manufacturing, and technology assistance, which are critical to small business growth.

- SCORE offers free, confidential small business advice from successful entrepreneurs. SCORE is a nationwide program and boasts more than 12,000 volunteers to give you guidance to grow your business.

- Women's Business Centers (WBCs) provide free management and technical assistance to help women and men start and grow small businesses. There are over 100 WBCs located throughout the U.S. and Puerto Rico.

- SBA's 84 district and branch offices connect entrepreneurs to resources, products, and services that can help them start, manage, and grow their business. These offices are located in all 50 states, Puerto Rico, the U.S. Virgin Islands, and Guam.

- The SBA Learning Center is an online portal that hosts a variety of self-paced online training courses, quick videos, web chats and more to help small business owners explore and learn about the many aspects of business ownership. Content is filtered by topic, so no matter what the stage of your business, or the kind of insight you need, you can quickly get answers.

Find your local resource using our handy zip-code tool by visiting www.sba.gov/local-assistance.

1.27 Have a Question?

Have a question?

- Call SBA – 1-800 U ASK SBA (1-800-827-5722)
- Email SBA – answerdesk@sba.gov
- Locate a SCORE counselor, SBA district office near you, or an SBDC office near you at www.sba.gov/local-assistance
- To provide feedback, comments, or suggestions for other SBA online content, please use the following email: learning@sba.gov

1.28 Certificate

Congratulations on completing this course. We hope it was helpful and provided a good working knowledge on how to establish company values. Click the certificate to receive a course completion confirmation from the U.S. Small Business Administration.

2. Recommendations

A.C.T. NOW!
The Article, Course and the Tools below are related to the course you just completed. They are provided to help you take action on your path to entrepreneurial success. You can also get in-person assistance for all of your business needs through a local resource center. And if you liked the course, please help spread the word by sharing it with your friends!

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Read an SBA Article.
SBA's partner, SCORE, and Daniel Kehrer, explain concepts to help you define your vision, values, and strategy in their article, *Defining your Business Vision, Values, and Strategy.*
LINK: http://bit.ly/1ofoEtQ

Take Another Course.
The *Marketing 101: A Guide to Winning Customers* course provides a basic overview of marketing, with practical real-world examples and helpful tips for small business owners interested in reaching a broader customer base.
LINK: http://1.usa.gov/OVm6CL

Try a Tool.
The SBA *Business Plan Tool* provides you with a step-by-step guide to help you create a business plan.
LINK: http://1.usa.gov/1eOeygT

Find local assistance!

SBA has a broad network of skilled counselors and business development specialists.

LINK: http://1.usa.gov/1kihdhJ