



# How to Create More Value in Your Business:

**Core Values** are the **Secret** to a **Winning Culture**

By Kathy D'Agostino

**The idea of “core values” is an abstract concept to many business owners and managers.** Most businesses seem to regard articulating their deeply held values as an interesting but ultimately low priority exercise, one that generates results that are impossible to measure ... if it generates results at all.

But in fact, core values – when articulated well and implemented correctly – enable businesses to unlock real value and improve performance, productivity, and profit. They serve as a compass for decision-makers in competitive markets, as triggers for higher engagement and increased productivity from employees, and as levers that can pull consumers to do business with you.

The truth is, implementing a core value system is more critical than most business owners realize and has a far greater real-world impact than they would expect.

**In fact, companies have achieved new heights of profitability, won awards, and far more, all**

**based on their embrace of a clearly defined value system that created a culture of effectiveness and greatness.**

Fortunately, it doesn't matter where your business is today – just starting out or years into profitability – you can still benefit from defining and using a core values system. Whether your business is stalling and stagnating, or running strong and aiming for greater ambitions, the key ingredient to future success is a strong value system integrated into your business culture, mission, and practices.

**But how do “core values” work; and just what down-to-earth, real-world outcomes can you expect from this seemingly abstract idea?**

We interviewed organizations of all sizes, from those with fewer than 10 employees to those that span the globe, to find out how core values work in the real world. Let's dive into the fascinating results of our research, starting on the next page.

# Adopting a clear set of core company values has **real impacts on everyone** who touches, or is touched by, your business.

*The Harvard Business Review* defines core values as “the deeply ingrained principles that guide all of a company’s actions; they serve as its cultural cornerstones.”<sup>i</sup>

In other words, core values are foundational, and your business practices should be architected around them. Furthermore, they are concrete: not merely ideas, but forceful levers that *move* anyone who touches your business, from owners and employees to customers and community stakeholders, to action.

- **Owners, managers and stakeholders:** guide decision-making while unifying strategy and vision
- **Current employees:** increase worker output, increase recruiting referrals, and decrease employee turnover
- **Future employees:** attract the next generation of workers and assess fit with your organization
- **Customers:** differentiate your business, grow profit and increase marketplace reputation

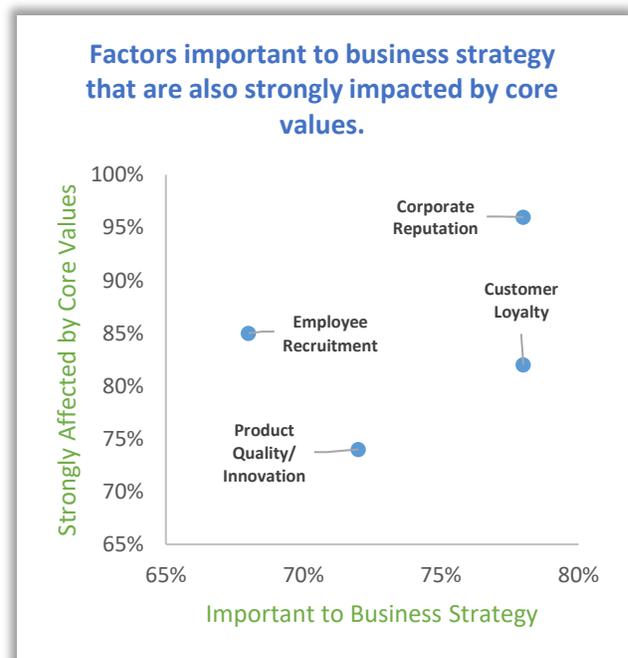
Let’s look at how core values impacts these groups.

## Core values help guide **owners and leaders**, while building confidence among **other stakeholders**.

Consultancy Booz Allen Hamilton has examined the relationship between business values and company performance and found that some of the most important elements of business strategy are strongly affected by values, including corporate reputation, customer loyalty and product quality/innovation (see Figure 1), all of which are issues with which so many businesses struggle daily.<sup>ii</sup>

Core values start at the top. They instill a sense of confidence in the business among stakeholders, according to analysts at Deloitte.<sup>iii</sup> More importantly, core values help owners and leaders make the decisions that are right for their businesses, even when the situation seems bleak. As Roy E. Disney has said, “When you know your core values, decisions are easy.”

Consider United Rentals, the world’s largest provider of equipment rentals. In 2008, the organization was facing plunging profits as well as a SEC investigation. The board brought in a new CEO, Michael Kneeland,



**Figure 1.** Source: *The Aspen Institute and Booz Allen Hamilton.*

and a new Chairman of the Board, Jenne Britell, both of whom were committed to bringing responsible leadership to company vision and culture. Every decision and action implemented by the organization's leadership was evaluated and tested against their value system and desired company culture. To an extent, they reinvented the company based on a clear set of deeply held corporate values, like always doing the right thing for the customer. Those values fostered a new culture at the formerly beleaguered company.

Britell says that strong, unimpeachable corporate values "created a passion for excellence." Their unwavering dedication to being a value-driven

company also created confidence among demoralized workers and stakeholders.

Within a year, the business had dramatically turned profits around.<sup>iv</sup>

Later, directors at the company told researchers at Harvard Business School, "United Rentals had some serious problems but implemented this culture-conscious approach. Culture comes above everything else ... [it has] a big impact on the effectiveness and efficiency of the board [and business]." It also has a big impact on the bottom-line. The proof is in the numbers (see Figure 2).

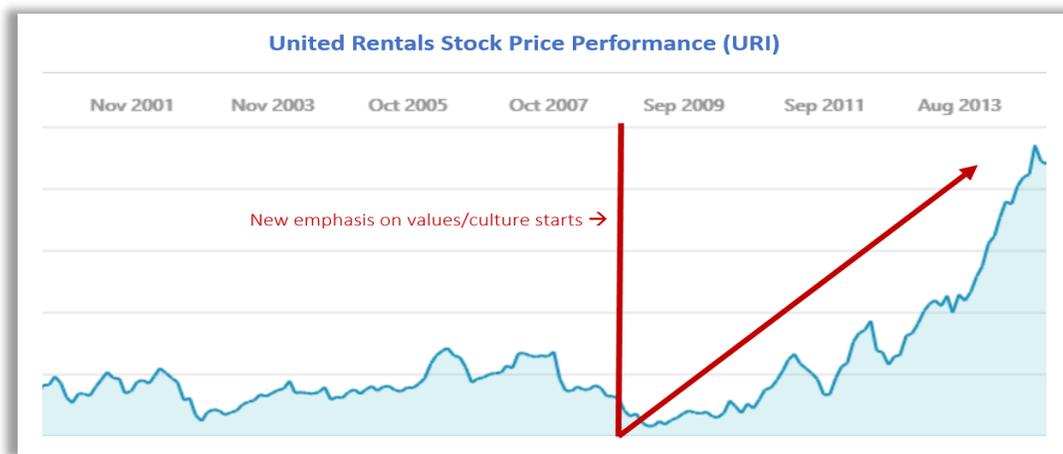


Figure 2. Source: MSN Money

Core values help you differentiate your brand and tell your **customers and clients** why they want to do business with you.

**Customers are often the immediate beneficiaries of organizational core values. That, in turn, benefits and profits the organization.**

Notably, United Rentals, which saw its business value surge after it renewed its focus on culture, made "customer driven" one of its own core values.

United Rentals presents an excellent example of how a seemingly abstract concept like "customer-driven" can translate into real outcomes, such as the 17% increase in revenue their company realized between 2008 and 2011. Guided by their values, United Rentals – under the leadership of the new CEO and Chairman – renewed its focus on customer experience.

Specifically, it began “monitoring on-time delivery, service delivery response time, pick up time for equipment coming off rent and invoice accuracy, all points that had been emphasized by customer. In addition, the sales force was restructured to create a single point of contact for customers, again a feature that customers requested.”<sup>v</sup>

In other words, it translated “customer driven” into a series of specific, measurable actions.

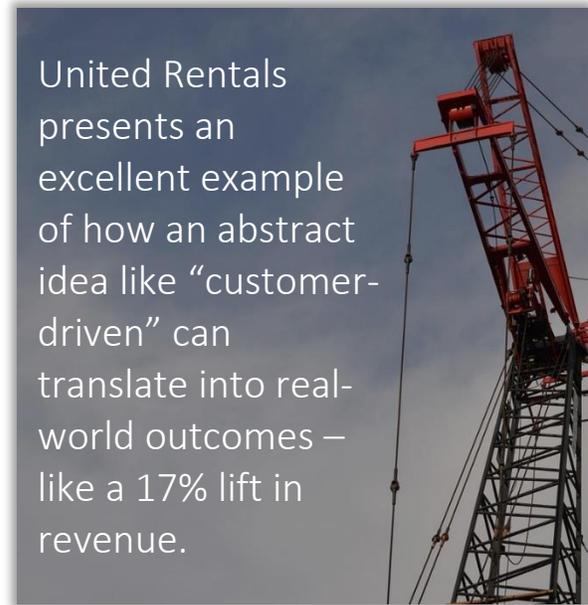
**Core values need not be customer-specific, however, to result in improved customer relations.**

When customers simply identify with a company's values, whatever they may be, customers are simply more likely to do business with them.

York Traditions Bank in York, Pennsylvania, a community bank, understood this lesson from its start: at the bank's inception, its leadership realized that core values can be a particularly powerful way to create competitive advantage without necessarily being the price leader in the market.

Instead, this bank – whose goal was to start a local York County bank that truly understood their local customer – defined themselves by the relationships between employee and customer, helping everyone touched by the bank to meet their needs, to grow, and to make a difference.

York Traditions Bank, like United Rentals, also understood that core values must be matched by



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action. In setting its values, the bank also articulated six to ten representative behaviors of each value. For example, they describe how associates can create a pleasant experience during customer interactions.

It worked, and the customers responded not only with increased business (following the 2008 recession, while thousands of other banks were dissolving, York Traditions Bank saw their profits continue to increase year-over-year) but also with accolades and awards. Most recently, they've been honored as “Best Banking Institution of York County” by *Susquehanna Style Magazine* as “one of the Best of York” by *York Sunday News*, both in 2016.

Core values have tangible impacts with **current employees and team members** by improving engagement, retention, and quality of work.

Of course, York Traditions Bank and other values-focused businesses can't realize their value-driven goals just by putting a plaque on the wall. It requires employees to embody these values, living them every day. Organizations like York often make employees a key part of the implementation process. For example, the bank continues to bring in groups of employees to

ask, “How do you believe we live our company core values? How do you believe we are *not* living them? What could we do better to improve this?”

Employees working with a company aren't there just to make the owner rich. They want to have a greater purpose of their own in the company and in the

mission, a way of making the world a better place by delivering a valuable (and value-driven) service. That's particularly true for the younger generations of workers, like Millennials, who specifically look for shared core values in employers.

It's these employees who bridged York's value system and its impact on customers. "You cannot measure the financial benefits of having loyal, committed and engaged employees in just profits," says CEO Michael Kochenour.

But you can definitely appreciate it. York was able to attract new employees from the competition, even in situations where competitors were paying slightly more. Those employees came for the integrity and pride of working at a community-oriented bank dedicated to hiring from within the same community they serve. They wanted a workplace where their personal value and contributions would be recognized and valued.

The result has been not just return-on-investment with customers, but a return-on-engagement with employees: low turnover leading to a low churn rate (high customer retention), less money spent on onboarding and training, and award-winning operations (York was voted one of the "Best Places to Work in Pennsylvania" for six years in a row).

It's not just York Traditions Bank. Research from the 2016 GloboForce report on "The ROI of Recognition in Building a More Human Workplace" found that employees familiar with their organization's core values consistently outrank other employees in terms of their engagement and ability to bring their company's objectives to fruition (see Figure 3).<sup>vi</sup>

Strauss Paper Company, a New York-based wholesale distributor of janitorial and sanitary supplies with 100+ employees, also understood this lesson first-hand. They recognized the need to grow and differentiate themselves from the other janitorial supply companies that exist in the same crowded market. "When you have a service that hundreds of other businesses have, you need to stand out," says Stewart Strauss, president and CEO of the family-owned business.

This is as true for employees as it is for customers; values influence *employer* branding just as powerfully as company branding aimed at consumers.



At Strauss, their values center around service – an unwavering commitment to excellence, timeliness and flexibility with customer needs and goals.

To that end, Strauss empowers employee autonomy. "We want employees to be able to make the decisions that are right for our customers on their own. We will stand behind them and support them with no fear of consequences, as long as their actions were taken to adhere to our core values and mission."



Figure 3. Source: GloboForce

For example, if a driver decides she has to go back to the store and get the right item to satisfy the customer, the business will stand behind that employee's decision

The results are powerful, not just for customers, but also for current employees: Strauss saw high-quality employee referrals increase and turnover fall as employees were treated with the same value as customers.

## Core values help you hire the right **prospective employees** and place them in the right seats.

It's key to remember that modern employees are empowered with information about potential employers in a way that's never been possible before.

"Today's worker is a consumer – a consumer of work. Everyone is open to new opportunities, at any given time. This is a huge challenge for HR," writes RoundPegg, maker of culture management software. Prospective employees – especially the most desirable ones – use social networks and review forums to access information "when considering one of the most important decisions of their life; where to work."<sup>vii</sup>

This is especially true when hiring new workers: employers and employees alike can use clearly defined core values to determine potential fit.

Millennials – the next generation of worker – are especially likely to look for shared values. According to research from Grovo, an online educational learning company, "60% of millennials stay at a job for less than three years – and replacing them costs companies billions annually. In short, millennials look for companies that align with their core values."<sup>viii</sup>

Employers should be looking for the same thing. "Employee-to-organization fit" may be another one of those ideas that can be hard to pin down, but the bottom-line is, fit matters.

For example, "we realized that people who are not on board with our values would not be happy working here," says Christopher Hale, president of Sun Blue Energy, a small business solar power company.

Their dissatisfaction can then sap performance and productivity. Dr. Amy Kristof-Brown of the University of Iowa and her team analyzed multiple research



studies assessing how a worker's fit to the organization related to desirable outcomes, including length of employment, performance, engagement, and more. Her findings: "conclusive evidence that fit matters to applicants, recruiters, and employees. It influences their attitudes, decisions, and behaviors in the work domain."<sup>ix</sup>

That's why Jennifer Flowers, owner of Accreditation Guru (which provides customized solutions to help non-profits going through the accreditation process), hires by values assessment. Jennifer employs fewer than ten people, and she may not even see her virtual trainers in person immediately: she is looking for the *best* rather than the most geographically available, and so she hires from all over the country.

To compensate, she uses a detailed [Core Values Assessment](#) to determine how closely applicant values match the company's own values of ethics, appropriateness, and learning.

She uses the assessment to determine if employees are value-centered, visionary and innovative – all qualities crucial to serving her clients.

# Every company has unique core values – derived from the vision, principles, and priorities held and cherished by the people who founded, own, and run the business – **whether they realize it or not.**

Further, those core values have tangible impacts on your business experience and performance, even if you don't realize it. More to the point, companies with core values can outperform those without.

That's because values help employers to identify the prospective employees most likely to be successful and engaged in their work. They help employees to perform better, please the customer, and find satisfaction in their work.

And a focus on value-driven management and service can even turn a company's fortunes around, while boosting reputation, stock value, and profits.

Core values work for companies of all sizes, from world leaders to tiny niche organizations; and they start working from the moment of implementation. Some realize the need only years into operation, like United Rentals, which saw its profits and company value start to rise shortly after a renewed focus on values.

Other companies identify values at their founding. Amy Errett of Madison Reed, which produces at-home hair color products, knew she needed core values from the start: "Your values will shape your company forever and will help you make a better business."

But identifying *your* organization's values, and translating them into the actions and decisions that drive all of the benefits we've described, is no small task, nor is it one that can be set just once and let go.

"The goal is not just to come up with fluffy values hanging on a wall," says Brand Communications Team Lead Lindsay Dow of moving company Two Men and a Truck. "The goal is to live those values for years to come, so whenever anyone sees our logo or hears our name, the values surface with them naturally."

**How do you start? Educating yourself is the foundation.** We've prepared companion pieces to accompany this paper to help readers understand what core values can do and how they work, including insightful case studies into two businesses – Video SEO Pro and Vermilion Talent – to illustrate and showcase core values in action. You can find those case studies below.

**Beyond that, don't be afraid to ask for help.** It can be very difficult when you're immersed in your business to clearly identify and implement a value system. An experienced consultant or coach cannot tell you what your organization's values are, but they *can* be invaluable in walking you through the process. As David Vogel, president of Video SEO Pro, says: "Thanks to our coach, we have a better appreciation and understanding of our business and some great tools to take us to the next level. We are already seeing improvements in our bottom line as a direct result of the coaching we received."

**The only question now is: what improvements can core values drive for *your* organization?** Visit [WinAtBusinessCoaching.com](http://WinAtBusinessCoaching.com) for more resources to start discovering the answer for yourself.



## Case Study: Video SEO Pro (VSP), an online video marketing company, found core values helped them make better decisions and achieve specific goals.

The three-year-old video and SEO company was undergoing growing pains and looking to hire new employees, as well as review the structure of their partnership and take their company through a new development phase of growth.

Specifically, they were looking to attract more of their ideal clients, improve communication between the partners, increase productivity, and improve goal setting and track results. They also wanted to know how to hire the right employee and assign responsibilities throughout the company. They engaged Win at Business Consulting (WABC) and the Values in Action process to help create the foundation of the businesses core values, clarify their existing mission statement, and re-define their one-to-three-year vision with short-term goals.

The first challenge was articulating answers to their most pressing questions:

- What direction does the company want to go in to attract larger clients looking for quality video and SEO services?
- How to stand out in a crowded, noisy market?
- How to grow and become more profitable?

From there, the challenge turned to incorporating their objectives within the new framework of the



**“We gained insights on how to use these tools to remain relevant and profitable, and saw a direct correlation to the ROI of the process.”**

David Vogel, President, Video SEO Pro



organization after identifying their personal core values, company core values, laser focus on their mission and design their vision for next one-to-three-year period.

### The Solution

Both partners started by completing the [Core Values Assessment](#) [CVI] and conducting a company survey of their combined values, resulting in establishing the guiding principles and identifying their company core values. WABC then provided executive coaching with each partner to review their personal values, goals, and vision for the company. Then, we articulated the company’s “who we are” and “why/what we do” as their unique selling proposition, to gain clarity around their message. For example, they had to decide whether their focus fell on being a video-only service or one that could expand their product offerings. Lastly, we identified their combined vision of what direction the company needed to go in to attract talent and secure higher-paying clients.

### The Benefits

Clarity! As a result of this process, Video SEO Pro become laser-focused on their ideal client. They were also able to use their core values as a guide for making business decisions; their values help them focus on what’s important and, when they stray from their path, help bring them back to their primary goals. They also found that their growth and profitability began accelerating.

# Case Study: Vermilion Talent, a community hub for career re-entry, found core values enabled them to better make business decisions and set strategy.

This young startup found itself in the midst of a massive transition and transformation, and the need for the clarity of purpose that core values can offer came at a critical junction.

Originally a 501(C) company, the organization had recently changed its focus toward a “for profit” partnership. The newly formed Vermilion Talent pursues a mission to build a comprehensive hub for career re-entry, as parent organization SparkUp provides support for women entrepreneurs.

Change is always challenging, and this spin-off forced the organization to redefine its structure and rebrand itself. They needed to reassure their clientele that Vermilion Talent would continue to connect its audience to SparkUp’s celebrated talent community of professional women seeking career resources, while ensuring that Vermilion could stand on its own. They engaged WABC with the goals to (1) blend each partner’s unique skillset, strengths, and differences to build on foundation and (2) generate insights into their core business model.

## The Solution

First, we identified each partner’s personal values, characteristics, and communication style. Then, we used that information to clarify how they work as leaders and as partners; each needed to them understand her strengths and find opportunities to work better together. That insight, in turn, would



enable each partner to understand the values she brings to the table, gain respect for those qualities in themselves and each other, and improve their collaborative efforts.

It was important to be able to articulate their company core values, with clear messaging, and validate their beliefs about why they do what they do. They want to be recognized for the unique services they provide to women re-entering the workplace and thereby differentiate themselves from staffing companies, HR recruiters, and other that offer similar services but are not comparable to the unique mission.

## The Benefits

Having the clarity of their core values allows the partners virtual guideposts as they make decisions about the company. Their values provide a framework that allows them to monitor their decisions. Additionally, they can use their core values in marketing material, on their website and most importantly as a litmus test to see what business models/partnerships/services they want to pursue. Over the long-term, with a solid foundation and now an awareness of their values, a better decision-making process will be possible moving forward. They will hire only employees who align with their company core values. This process will allow them focus and be in alignment as they define future strategic steps.



## About Win at Business Coaching

Kathy D’Agostino is a 20-year business development expert, business leader, trainer and entrepreneur. Her mission is to passionately empower industry leaders – from solo-preneurs to CEO’s – to reach their greatest personal & professional potential.

Kathy coaches and consults with executives and leaders, enabling them to define and design the ideal culture for their employees and customers. With a strong focus on personal accountability, proven goal-setting strategies and decision-making processes that align with core values, Kathy guides her clients to greater success. By shifting clients into a mindset of intention, purpose and vision, they achieve new levels of success for themselves and their organizations.

Kathy is a credentialed coach certified by the International Coach Federation (ICF). In addition, she is a certified Coach/Trainer in the Core Values Index, an assessment tool that can ensure the right people are in the right seats in the right organization.

**“We create cultures where everyone WINS!”**

### Core Values:

- **Empathy** – to understand our clients’ problems
- **Knowledge** – that drives solutions
- **Integrity** – to deliver on our promises
- **Empower** – clients to make lasting change in their organizations

### Mission:

Our mission is to help leaders and businesses understand their core values. We want to transform the way every company engages with their employees and customers to create a positive impact.

Our goal to help business understand the “Return on Investment” by investing their time, energy and efforts to leave behind the red-tape bureaucracy, limiting beliefs and “this is the way we always did it” attitude.

**Get started with your own Core Values Index Assessment at**  
<http://winatbusinesscoaching.com/core-values-index-cvi/>

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