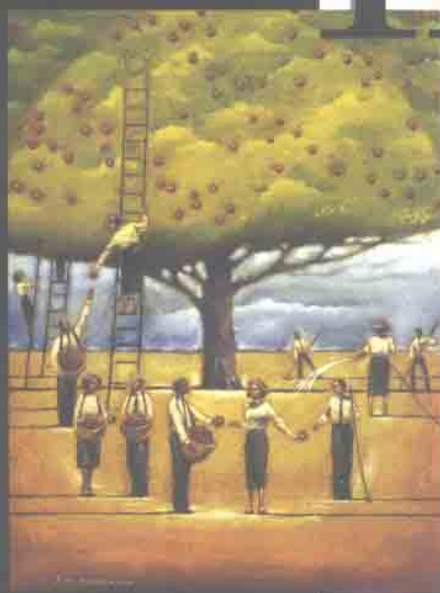


# PLAYING FOR KEEPS



How the World's  
Most Aggressive and  
Admired Companies Use

**Core Values** to

• Manage • Energize

• and Organize

Their People, and

• Promote • Advance

• and Achieve

Their Corporate Missions

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# PLAYING FOR KEEPS

**TO EVERYONE ATTEMPTING  
TO ELEVATE VALUES AT WORK**

## ACKNOWLEDGMENTS

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Finally, I am grateful to the executives who agreed to interviews about their work with values. From beginning to end, I found the difficulty in writing about values was to make them real, not just concepts. I thank these executives for whatever success I have achieved with that challenge.

## INTRODUCTION

In the 1940s and 1950s, U.S. mastery of quantitative techniques created an aura of invincibility. An ability to manage by the numbers became the hallmark of success. By the 1970s, Europe and Japan had caught up. By the middle 1980s, techniques that were once an American monopoly were available everywhere.

Competitive pressures inspired a search for newer techniques. By the late 1980s, the focus had shifted to qualitative improvement. Values, the generator of qualitative improvement, slowly moved to the forefront. Many raised in the era of quantitative supremacy rejected the new ideas as a fad. Others eagerly embraced them as a quick fix. Over time, a more realistic attitude has emerged.

Qualitative improvement programs focused on values such as Quality, Customer Service, and Diversity have become a staple of progressive management. They have spread rapidly across America and are now circling the globe. Some companies



## INTRODUCTION

claim the programs produce phenomenal results. Others complain of phenomenal costs.

Even among the most successful, few have combined quantitative and qualitative into a seamless design. A fuller integration of the numbers and values will be a major challenge to 21st-century management. How to meet that challenge is the central focus of this book.

People use—and more commonly abuse—the term “values” every day. I use it reluctantly, because we have no better term for the qualitative aspects of a business. The word has lost vitality. It falls frustratingly short when describing our greatest opportunity to create and sustain corporate success.

Stripped of current connotations, what is a value? It is simply something we regard as valuable. What is the true source of value in a company? It is not, as commonly supposed, the company’s assets, net worth, or annual earnings. In any company, value grows out of the quality of the individual actions that sustain performance.

That focus has logical implications different from today’s practice. For one, values initiatives can have only one goal. They are worth the effort only when they enrich individual actions. It follows there is only one practical way to measure the success of values initiatives: To what extent do they improve operations? Do they produce better products? Promote faster service? Expand staff capacity? Do they add flexibility and focus to the organization? How do they specifically enhance the use of time, machinery, and capital?

This is not the common understanding of corporate values today. Some managers still dismiss values as superfluous. Others consider them desirable appendages to the company’s real work. Both views miss an obvious truth. Values are the vibrant core of institutional life in all for-profit and not-for-profit enterprises.

Commitment to values lifts performance—personal and corporate. I learned that as a senior executive. However, my knowledge was more intuitive than reasoned. My more recent work as a consultant and writer has deepened my understanding. In the

## INTRODUCTION

past decade, I've collaborated on a book on sustaining corporate growth. I've written another on personal success. In researching the first book, I interviewed dozens of people at every level in pace-setting American companies. For the second, I listened while successful people reflected on their rise in corporate life.

The subtext of all these conversations was values. Standout companies and exceptionally successful individuals share a commitment. Sometimes consciously, more often by instinct, they pursue values in their work.

My consulting work has reinforced another important lesson: Understanding a power of success is one thing, knowing how to use it is another. That's why this book focuses more on the doing than on the knowing. The issue today is seldom the value of values. The issue today is how to bring them to life—or renew them—in specific corporate environments.

Over the past decade, I've discussed corporate values with hundreds of people. I learned effective approaches and techniques in the interviews that form the practical foundation of the book. My conceptual understanding matured in more interactive forums. I regularly give lectures and conduct strategic planning sessions for entrepreneurs, senior and middle level corporate managers, and individual contributors.

In these sessions, people have thrown at me every conceivable question about the theory, application, and implementation of corporate values. Thanks to their challenges, I am now able to present a step-by-step system for values implementation. Thanks to the interviews, I can provide concrete examples of each step. I have also tried to answer 33 of the most common questions from these sessions.

Companies and managers often believe it takes superhuman leadership to achieve values-driven activities. The evidence suggested the opposite. The stories in this book focus on ordinary people who became exceptional by setting new directions through values. The keys are commitment, systems, consistency, and application. With these, any company or individual can follow a values-driven path to success.

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# PART I

## CORE VALUES: THE ONCE AND FUTURE FRONTIER

### Five Key Questions

- What are core values?
- Why are they important?
- How do they impact performance?
- Why is there such interest in values today?
- How are values-driven companies different?



# CHAPTER 1

## BEHIND THE NUMBERS

*What is the source of all profit? Certainly not the numbers. The numbers are only symbolic representations of corporate performance. In any company, the real source of profit is thousands of individual actions by individual employees. Add value to each of those acts and you add profit. The aim of corporate values is to add that value. In every act. All the time.*

**P**rofit is determined by ten thousand individual acts. The quality of those acts determines the quality of the profit.

Generating more profit from a company, department, or individual contributor depends on adding value to individual acts carried out by that company, department, or contributor. Everybody understands this intuitively. Yet this obvious truth is seldom present when managers direct attention toward what is important.

“Let’s begin with the numbers.” All management meetings begin with the numbers. The numbers are the single best indicator of how the business is doing. The numbers are so real. So real, it’s hard to remember they are abstractions, macro reflections of the quality of thousands of individual acts.

When well-executed acts significantly exceed poorly executed acts, the numbers “look good.” When poor exceeds



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good, they “look bad.” *Look* is the right word. The numbers are always images of reality, never reality itself.

Next on the agenda at that typical meeting: A review of the production schedule for the next month. Are we meeting the schedule? If we are, move on. No time to ask how to add more value to the thousands of individual acts that sustain the schedule every day.

Next: Progress on putting together next year’s budget. Will we make our sector’s profit targets? So far, yes in 80 percent of our units, no in 20 percent. OK, where are we going to make our cuts?

Maybe we should discover where profits are draining away through wasted energy and misspent resources? No time. Make the cuts. Move on. Remember the good news. Eighty percent can make the financial target. Maybe there’s more profit hidden in the individual acts carried out in those operations? “If it ain’t broke, don’t fix it.” Move on.

Next: That nasty personnel situation. She’s talking about suing. Human resources says she may have a case. Who’s going to talk with her? HR is having a small dinosaur on this one. They want everybody to attend that managing diversity course. How are we going to fit *that* into the schedule?

Ten minutes left. Enough time to look at the CEO’s new flavor of the month: customer service. Anyone got any good stories to pass up the line? Any candidates for this month’s Customer Service Star Award? How are we doing on our customer complaint index? Scores are worse. Find out who’s screwing up and why.

Get it all done, team, or we’ll all hear about it at performance review time. Remember our Four Commandments: Make money, grow fast, watch the numbers, stay out of trouble with corporate.

The people at this meeting focused on what they think matters most. Experienced managers, they know how to manipulate symbols to move their sector forward. Accustomed to symbols, they overlook reality. At a minimum, reality has ten