

[Leading at Light Speed](#)

Helping leaders build high performance organizations.

[The Benefits of Core Values](#)

Aligning people around core values is the first thing leaders must do. It is the framework that enables you to start moving at light speed. "We are constantly making sure people are aligned with our values," says Laura Batten, the CEO of a consumer goods manufacturing company. When people truly understand the core values of their organization, they become aligned. The long-term drivers of the company's health are widely understood. People start to make decisions based on the core values. The enterprise starts picking up speed.

When an organization feels united around well-understood core values, performance is no longer about what's good for you or me, but what's good for the long-term. Employees trust the company's direction. Talented people are motivated to join the team. Customers are drawn to its products and services. Think about Apple and its core value of innovation. Or Starbucks and its core value of consistent quality. Those are not empty promises; they are reflections of the values-driven nature of those enterprises. Think about Nordstrom, Southwest Airlines, and 3M Corporation. These are all companies driven by a framework of core values.

There is a clear link between core values and performance. A grocery chain's revenues rose 24 percent the year after our firm facilitated its shift to core values. A \$200 million software company's profit margins rose 37 percent. There are many other examples I will describe in detail in this chapter. As Larry Johnston, the CEO of Albertson's supermarket chain puts it: "There are two dimensions to leadership. Performance and values. You can't have one without the other."

Focusing on core values attracts and retains talented people. It's easier to get the right people to join your organization when you can clearly communicate what's important, and what behaviors you're looking for. This reduces turnover, thereby cutting the costs associated with recruiting, retaining, and retraining employees. In a service economy with higher intrinsic labor costs and increasing labor mobility, this is an important source of competitive advantage and profit.

Focusing on core values also attracts and retains loyal customers. People are attracted to companies that are value-driven. Smart companies use this to build tight bonds with their customers. Starbucks, Google, Apple, Southwest, Nordstrom, IBM, and Porsche are all examples of companies that have effectively aligned their employees and customers around a set of core values.

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