

Can Corporate Values Create Profits?

By Ann Golden Eglé, MCC

Corporate values are an intriguing concept. Most established businesses establish their values within the first year and forget them shortly thereafter, even though they are framed in their entry.

Startups are so busy starting up that they forget to have values until they run into trouble. They forget what drives them.

Zappo's online shoe and clothing store is an excellent example of how adherence to corporate values creates profit. CEO Tony Hsieh admits to failing in a previous startup because they paid attention only to profit, not culture.

Zappo's was started in a garage in 1999 and sold to Amazon for \$1.2 billion in 2009. Their secret to success: Zappo's lives and breathes the values agreed upon by all involved—management and staff. The benefit to clients—shopping at Zappo's is like no other online experience. The resulting benefits to Zappo's—skyrocketing profits. It's a win for all involved.

Zappo's believe in working hard and playing just as hard.

In his book 'Delivering Happiness', Tony Hsieh describes how the following ten core values have created a healthier and more fun corporate culture that quickly transitioned into profits. Consider these for your own business:

1. Deliver 'WOW' through service
2. Embrace and drive change
3. Create fun and a little weirdness
4. Be adventurous, creative, and open-minded
5. Pursue growth and learning
6. Build open and honest relationships with communication
7. Build a positive team and family spirit
8. Do more with less
9. Be passionate and determined
10. Be humble

The highly successful Ritz Carlton Hotel chain is another example of how adherence to corporate values turns into not only a better experience to all involved, but also profits.

Through a set of twelve established standards, or values, Ritz Carleton established protocols for their staff to insure top-level customer service are simple:

Ladies and gentlemen serving ladies and gentlemen.

Their employees frequently gift clients with a laminated copy of the twelve values for the use in their client's own business. A side benefit of sharing their values is to hold each RC employee accountable. Here are Ritz Carlton's top twelve values:

1. I build strong relationships and create Ritz-Carlton guests for life.
2. I am always responsive to expressed and unexpressed wishes and needs of our guests.
3. I am empowered to create unique, memorable and personal experiences for our guests.
4. I understand my role in achieving the Key Success Factors, embracing Community Footprints and creating The Ritz-Carlton Mystique.
5. I continuously seek opportunities to innovate and improve The Ritz-Carlton experience.
6. I own and immediately resolve guest problems.
7. I create a work environment of teamwork and lateral service so that the needs of our guests and each other are met.

8. I have the opportunity to continuously learn and grow.
9. I am involved in the planning of the work that affects me.
10. I am proud of my professional appearance, language and behavior.
11. I protect the privacy and security of our guests, my fellow employees and the company's confidential information and assets.
12. I am responsible for uncompromising levels of cleanliness and creating a safe and accident-free environment.

If you have likely enjoyed the outstanding service of these two companies (which function because of the creation, buy in, and implementation of values by their staff) you know that such exceptional treatment stays with you a very long time.

I challenge you to approach any of your employees today and ask what your company values are. If they know, or can explain how even one pertains directly to their position, give them a free lunch. Better yet, if they don't have a clue, then take them to lunch to explore the concept.

The Holiday season is an excellent time to look forward to what you will create next year. Whether creating company values for the first time or updating and improving obsolete ones, involve management, staff, customers or clients.

As with Zappo's and Ritz Carlton above, creating relevant, ambitious, practical and client-based values for 2014 enhances your culture, creates experiences that your clients will enjoy, and increases your profits.

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