



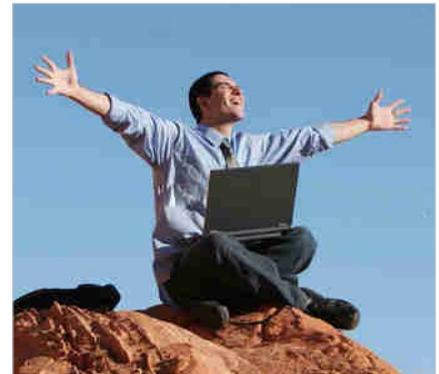
MANDAT  GR  WTH LETTER®

Growth Focus: Values

CEO-Tip *of the Month*

by Guido Quelle

The CEO—Provider, Guardian and Developer of Values



At a managerial board meeting for a professional association over ten years ago, I—myself an honorary member of the board—put forward an idea for a project: Entitled “www - Werte Wandel Wirtschaft” (German for Values, Change and Business), the goal was to investigate how values were changing in business, how people’s understanding of values was evolving, and which frameworks of values were most relevant at the time. Another member of the board was thrilled with the notion because, as he explained, values were a very important factor for companies, just think of “shareholder value, level of added value creation and so on.” I couldn’t help but be somewhat at a loss, as he had obviously missed my message, confusing quantitative values with qualitative ones.

These cases of mistaken identity happen all too quickly. Of course quantitative and qualitative values are both important for companies; in fact, they are vital. But what I meant were the “soft” factors of business cooperation, as well as the borderline areas within which values can be expanded on or interpreted. That’s also the focus of this month’s CEO Tip.

As a CEO, and regardless of whether you are a salaried top manager or an entrepreneur, you have three roles in connection with your company’s framework of values: You are a provider, guardian and developer of values.

Provider

You are a role model, like it or not. Actions you take that lead to success will be copied and imitated, regardless of whether or not they are in keeping with your company’s framework of values. As such, through your own con-

duct you provide values, because you add the values you yourself believe in and practice to your company, a key creative responsibility. You expect punctuality? Then surely you yourself are always on time. You demand honesty? Then you won’t allow yourself to tell lies, not even white ones. Role models set new standards.

Guardian

As a CEO you are well advised to always keep your company’s values in mind, and to above all protect those values that are conducive to growth. Maintaining good relations with your suppliers has always been a key value? If so, don’t just throw it away if you don’t have to. Saving a few cents on purchases is not reason enough.

Developer

Your position as a role model also means that you add new values if you feel they are necessary. These could include equal pay for men and women who hold the same position and have the same qualifications. And be sure to transform those values into concrete actions. Communicating values is also part of the CEO’s leadership portfolio, as doing so ensures that corporate values are clearly adapted and evolved.

As the CEO, you hold the reins. Seize the opportunity to make sure your company will continue to enjoy a solid foundation of values in the future.

By the way: The project mentioned earlier was a thorough success, as the topic “changing values” moved many business leaders to take part in the study. Maybe an internal study would be a good idea for your company, too?

Strategy & Leadership

by Guido Quelle

The Real World—Where Your Values are Put to the Test



There has been a great deal of debate as to how sensible or pointless mission statements are. And sometimes we contribute to the discussion without meaning to, as some companies' mission statements aren't worth the paper they're printed on, let alone the often extensive project involved in creating them to begin with. An experienced manager or management consultant should be able to come up with a mission statement that looks good on paper in about 15 minutes. Impressive? Hardly. The real challenge is to find a mission statement that fits your company, that employees can contribute and commit to, and that will be understood in the same way by everyone at the company. The feat consists in transforming the WHAT of the mission statement into a HOW in day-to-day conduct. If that never happens, the mission statement will become nothing more than a nuisance, a footnote pinned up and forgotten on various walls around the office.

A mission statement is an essential reflection of a company's framework of values. Accordingly, it is growth-relevant, which makes it vital that a mission statement is actually used in practice and not simply a list of good intentions. Let's examine a few typical examples of the language used in corporate mission statements. They may be written in different styles, but our experience has shown that the following points crop up in nearly every company's mission statement:

"We're customer-oriented. The customer is at the heart of all we do."

How many times does the phone ring before someone picks up? More than twice? How is your customer orientation coming along? When dealing with customers: How often do your employees take care of internal matters before turning their attention to the waiting customer? Or—a common sight at hotels: The reception desk is packed with people waiting to check in, but only three of the six terminals are manned, while the rest of the staff are sitting in their offices, working at their computers. There's a sign on the wall: "Customer First." I don't think so.

"We deal with each other honestly and fairly."

When's the last time one of your employees talked less than flatteringly about a fellow employee? How often does this kind of thing happen? How do they resolve conflicts? Is there a "conflict culture," a procedure or approach to help iron out conflicts? Perhaps even a conflict mediation officer? No? When rumors and talking trash have become commonplace, you can hardly claim your employees deal with each other "honestly and fairly." So why is it part of your mission statement?

“We make a lasting contribution to the continuing development of society.”

What charitable activities is your company involved in? What charitable projects does it support? How are your employees supported and encouraged to do honorary work (something beyond the not entirely selfless membership on the board of a trade association)? What exactly is the contribution your company makes to society, beyond paying its income tax every year? Only when a company can present a long-term success strategy in this regard can it rightly claim to be engaged in charitable work.

“Our business relations are always on the basis of partnership.”

What does your Purchasing department get rewarded for? And what about Sales? Are they rewarded for delivering the highest possible figures? Do these employees brag from time to time about how they managed to squeeze a few more cents out of a supplier, or how they managed to sell a customer something they couldn't possibly need? If so, then don't talk about partnerships. Partnership means sitting down at a table as equals and doing business. If that won't work with your current “partner,” it's time to look elsewhere—regardless of whether we're talking about a supplier or a customer. That's what you call consistently upholding your values.

“Our entire growth strategy and all of our actions are oriented on long-term benefits.”

Here we could ask the same question again: What do your employees get rewarded and praised for—quantitatively and qualitatively? What do they get promoted for? How ready are your shareholders to sacrifice short-term profits for the sake of a promising initiative that won't pay off for at least three years? What would you tell your analysts? What about the repercussions on the stock market? Thinking in the long term often means turning down chances for immediate success. That doesn't mean you have to ignore the present, but it does mean that, in the future, you don't have to first install the wiring before you can start working on the lights; companies that think and act in the long term will already have turned on the lights well in advance.

“We expressly promote multiculturalism at our company.”

What measures does your company have in place to respect and address the needs of different cultures? How many nationalities are represented in the Management?

How does your company deal with differing religious practices? Those of you who have attended a talk by OBI founder Manfred Maus may have heard his story about the Moslem OBI employees who wanted the right to pray during working hours. The company addressed the issue and found a solution. What solutions does your company offer?

“At our company, all employees enjoy the same career opportunities.”

Really? Of course equal opportunities don't really make sense in the end, but we should at least put them in place at the start, right? Do men and women truly have the same opportunities at your company? Do men and women who hold the same position and have the same qualifications receive identical pay? What about the balance between Germans and non-Germans? Do you need to improve some of these aspects, but it would probably be too expensive to finally do so? Then for the time being, you might want to remove the line above from your mission statement.

It should go without saying that creating a successful mission statement is a project. And if you want to include your employees (some of whom by the way won't want you to), you should plan on it being an extensive process. Unfortunately, two points tend to get overlooked along the way:

Firstly, once you have finished the WHAT (the mission statement), it's time to describe the HOW. What do the individual points of the mission statement mean for each respective position at the company? This should be identified in working groups.

Secondly, you need to ensure a transfer of knowhow, so that even new employees know and understand what the respective parts of the mission statement mean. Also, these new employees should be given the opportunity to contribute their own ideas on HOW the mission statement can be implemented. Simply presenting them with a shiny new folder their first day that includes the mission statement together with information on your quality management system and a few dozen miscellaneous worksheets and guidelines is definitely doing too little. Mission statements won't implement themselves, and simply replacing the faded “ten-point lists” hanging on the wall with fresh copies every now and then does not constitute growth- and value-oriented corporate development.

Profitable Growth—Release Internal Growth Brakes and Bring Your Company to the Next Level

Almost every company wants to grow—at least officially. Shareholders are demanding further growth and no management team would deny that the growth of their company is one of the top issues they are working on every single day. However, there are barriers to growth, and these are not only external barriers. Most often it is not the economy, not the market and not the customer who just “hasn’t got it.” The main barriers can be discovered inside every company, because growth always comes from within. If the organization is not ready to grow, initiatives to increase market share, to enter new markets, and/or to increase profitability are destined to fail. This book systematically addresses the main internal barriers to growth and provides practical guidance not only for discovering these barriers, but to systematically overcoming them.

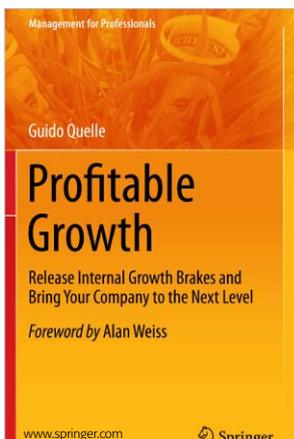
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Author



Professor Dr. Guido Quelle, “The Growth Driver,” is one of the rare people worldwide who focuses on creating profitable and sustainable growth as an entrepreneur, consultant, author and speaker for more than 20 years. His clients are active CEOs, general managers, senior executives, and entrepreneurs who are committed to consistent growth. With his consulting firm, Mandat GmbH of Dortmund, Germany, he successfully conducted more than 350 projects with 120+ renowned private and listed companies. More than 5,000 people were involved just in those projects that he himself managed. Prof. Quelle is always in demand when companies are seeking the support that will enable them to continue on a course of sustained profitable growth.



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“The nuance that distinguishes this book is the orientation that growth is measured, planned, and pursued in an orderly fashion, never growth for growth’s sake. Guido wisely takes the reader through a strategic approach which leads to intelligent tactics, not a frenzied tactical charge that undermines strategy.”

Alan Weiss, PhD, President Summit Consulting Group, Inc., Author Million Dollar Consulting and The Consulting Bible

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