

## True to Yourself: Leading a Values-Based Business

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**"Business... is about being true to yourself, your ideas."  
-- Richard Branson, Virgin Group**

How do you build a business that reflects your values?

That question led me to interview 75 small business leaders of what I call *not-only-for-profit* companies. I wanted to learn how these leaders fulfill their potential and contribute to a better world within a financially sustainable business model. What I discovered is that they *think differently* and lead differently—rarely manifest in a singular visionary decision—but rather in many small ways and daily decisions that all add up to make a big difference.

I was surprised by how they talked about their businesses. Many mentioned that when they started their companies, they didn't ask what the market needed and what they could provide. They focused first on a social challenge they wanted to address and only then on how to address it through an enterprise. They asked themselves three questions: What is the biggest social challenge I want to address? What has to happen for that challenge to be addressed? And, therefore, how can I build a business to address that challenge?

They defined their business less in terms of products and more as a vehicle for personal, organizational and global transformation—a transformation they realized had to start with themselves. Redefining what a leader does, they challenged the roles of company growth, efficiency, control and competition in business. They were learning the patience required to create a community of trust and a sense of citizenship inside and *outside* the company.

The most important lesson they'd learned? *You can't do it alone*. These successful leaders had learned that paradoxically, to reach *your* dreams you must help other people reach *their* dreams. They had discovered that to make a successful transition from founder to leader depended on becoming part *monk*, part *architect* and part *diplomat*.

At the core of values-based leadership, therefore, is the hard work of building the soft skills necessary to develop and sustain those relationships. You have to think differently about what skills to develop and how to spend your time. You have to admit that you need others, that interpersonal relationships are the key ingredient to personal success. That yes indeed, whom you know may be more important than what you know—and that *how* you do something is often just as important as *what* you do.

It's not easy to go from being the person who always raised his hand in class with the answers to every question to a person who helps others raise their hands. How do you

make that transition? How do you acquire the more process-oriented skills required to build an organization—skills that are often just the opposite of what's needed to start a company in the first place? And what impact do your concerns for environmental and social responsibility have on your leadership approach?

I found that success in building a business was directly related to these leaders' ability to make three transitions in their approach to leadership. They had worked hard to: (1) be mindful of their role and impact on people; (2) spend a majority of their time on the immeasurable process known as company culture; and, (3) become expert collaborators inside and outside their organizations.

These three transitions impact three levers of company valuation that leaders should focus on—what former General Electric CEO Jack Welch identified in the 1990s as "reputation, productivity and regulation," which I have updated for today's values-based leaders as "transparency, sustainability and responsibility." Each transition also reflects one of three key leadership characteristics: competence, commitment and compassion. Let's look at each of these founder-to-leader transitions.

**"Each of us has a spark of life inside us, and our highest endeavor ought to be to set off that spark in one another."  
-- Kenny Ausubel, co-founder of Bioneers®**

1. Be a Monk, not a Father: *Be Mindful of Your Presence*

A monk invites you to become spiritually engaged in work, communicating carefully—and personally—how you could incorporate spirit into work and life. He knows how important it is that he models the values he wants to impart. He recognizes that his job is not to paternalistically tell you what to do, but to help you find your way and take personal responsibility yourself. He wants you to become the best you, which he does as much by listening and subtly modeling important behaviors as anything else.

Values-based leaders recognize that their primary role is to translate the mission and values of the organization into practice, creating a values-based context for all decision-making. Accordingly, *everything you say and do—and don't say or don't do*—sends signals throughout the company to what values are important. You must be mindful of the powerful effect you have on the people of your organization. No matter what the formal company documents say, *you* make values visible. That's leadership competence.

For example, if respect for others is an important company value, what do you do when you, the CEO, walk into an office where two co-workers are engaged in a business conversation? Do you interrupt them because you, your agenda, is more important, or do you wait your turn—leaving for a few moments if necessary—until they are finished?

Being competent also doesn't mean you need to know everything. If you did, where would there be room for anyone else to contribute? Instead, competent leaders are clear about what they know and don't know, comfortable in "not knowing," while helping others to develop that competence. With the personal mantra of "It's OK not to know," they create an atmosphere of honesty and transparency, where information (and responsibility) are shared, where doubt is accepted, and where it's expected that people will need (and get) help from others to find solutions to complex business challenges.

Like a monk, these leaders also may slow people down to reflect on the spirituality in and among us—the greater purpose of our work. They ask, how do we communicate in a way that incorporates spirit into everything we do? Before each meeting, for example, they may hold a moment of silence for people to experience whatever they wish. A CEO of an investment bank commented: "It's a profound experience. You can feel the energy shift in the room. It also sensitizes us to each other, generates more respect and reminds us that the first question we need to ask ourselves is, how can I help our clients?"

What kind of regular practice supports this attempt to incorporate spirit into their work? At this bank, for example, when monthly financial statements are sent to investor clients, each client's company representative takes a moment to personally initial each page of the statement—a moment of being mindful of a client's situation and of communicating that fact simply, personally. That one practice has received more positive response from investors than anything else the firm has done in 60 years!

Mindfulness extends beyond the traditional boundaries of a company for values-based leaders. For example, they are aware of their impact on distributors. Recognizing how her seasonal business affected the working hours of employees of her distributors, one CEO shared her competitive competence (market research) with distributors so that they could better predict work cycles and not increase seasonal employee stress.

## 2. Be an Architect, not a Captain: *Facilitate Personal Transformation*

"Who's really the head of a ship?" asked a CEO interviewee rhetorically. "It's not the captain. It's the designer. The captain manages through the design. Values-based leaders need to create cultures of distributive leadership. Rather than dazzle everyone with your performance, ask yourself how you can build the competence of the team."

The most common mistake my interviewees mentioned was taking their company culture for granted. As one CEO of a well-known sports company said the day he sold the company because they had lost their culture: "If I have anything to share, Mark, it's to make sure you *don't underestimate the things you can't count*. The most important thing you have at your company is your culture through which you engage your values, build commitment and inspire action."

To become more of an architect of a *leadership-distributive* culture than a captain running a *leadership-driven* culture of sales and marketing is one of the most difficult transitions successful values-based leaders have to make. Founders are typically obsessed with controlling everything that goes on. You must let go of control—though remain involved. It's hard to do, to "sit back and let other people do stuff I know I could do better." But if you want to achieve more and have your work go on after you, you need to recognize that where and how you spend your time must change.

In addition, if you are truly committed to the social and environmental challenges your company is attempting to address, your job is to be committed not just to addressing the cause, but to building a *sustainable* enterprise.

However, founders have often spent more of their time and energy trying to reach higher levels of sales at faster speeds. What you discover is that you may need to slow down company growth so as not to outstrip company or individual capabilities nor become a slave to volume, which can destroy your culture. If you shrink your company, select clients and get employees the necessary training, you'll build a business, infrastructure and a job for yourself that fit—a transition that is not psychologically easy to make.

Other values-based leaders are redefining growth—concentrating more on the less measurable process of the *personal* growth of their people, which is leading to smaller, but more profitable organizations. One socially minded CEO told me: "We have changed our measure of success away from continual material growth. My company's growth is internal. We can create more personal and social change by deepening our relationships. We are growing consciousness and relationships—all the things that make life interesting—in a way that is sustainable and enjoyable for everyone."

Many of these "architects" told me that they view business as a force for personal transformation. They feel that their job, their commitment, is to help people grow—to help them develop their intellectual competencies and become more open hearted, compassionate human beings. They have also found that "if I take care of them, they take care of the product, and the product takes care of the profit."

### 3. Be a Diplomat, not a Dictator: *Collaborate for Greater Impact*

As they've aged and their companies have grown, a number of values-based leaders have been frustrated by what they feel is the limited impact they've had, even with a sizeable organization behind them. They had to find another way.

The most surprising interview finding was the extent of collaboration that was taking place. This goes way beyond taking time out for industry leadership positions, say, for enforcing child labor laws among suppliers. Focused on a social goal, such as increasing

the sale of organic products, these leaders have not only collaborated with companies with different value systems but actually shared business advantages with competitors!

Motivated by a sense of responsibility to people and the planet, they've retooled their skills to become compassionate diplomats who become involved beyond the traditional boundaries of a company. They spend significant amounts of time understanding the needs of their industries, their competitors, suppliers and distributors to increase their impact on a social mission. It is the ultimate extension of realizing that effective leadership relies on building relationships—to the point that these relationships will continue even when the leader is no longer there. After all, the difference between management and leadership is that leadership is what happens when you are not there.

Some collaborations are very complex, involving several for-profits, non-profits and community groups. To be successful, the critical task is communicating clearly, consistently and simply. This requires a deep understanding of all the parties involved. And the message must be so simple that someone you tell it to can repeat it to others easily—without concern for getting it right or being embarrassed by a lack of knowledge.

In the words of one restaurateur who financially supported and educated local businesses on carrying a "cruelty-free menu" (which included range-free pork): "Can you hear the cry of the pigs in their crates? Can you hear the mother cows crying for their calves? You ask, 'How can my business be based on the suffering of other creatures?' Constant growth for increased profits is destroying life. We must build an economy based on compassion for all of life."

**"[These pioneers] don't set out to change the world; they set out to change *their* worlds. And in so doing, they often change the way one person, or a few people, or whole communities, or entire nations, or the world thinks and operates in some significant way."**

**– Anita Roddick, The Body Shop**

Many of today's young values-based leaders are armed with MBAs, blue chip corporate experiences and lengthy service sector stints working with those on the bottom of the economic pyramid. They seek to build a collaborative network economy that creates sustainable systemic change—their goals are no less.

They realize that it will take faith, courage and patience. But what else would you do with your dreamtime? Why not dream of such goals?

We all dream of noble purposes, of making a significant impact in the limited time we have. To do so, as the Sages said two millennia ago: *"Your only obligation in any lifetime is to be true to yourself."*

