

Overview and Objectives

Values are the lens through which members of a business view the world and their work together. They help people understand “how we do things around here” and what’s expected of everyone working in the business.

It is especially important to consider values together as a business forms, new family members join and/or when preparing for transition. Values established collaboratively create shared understanding and accountability and can help ensure the decisions made during the planning process are consistent with the values identified.

After completing this guide, participants should:

- Identify shared values in the family business.
- Define each value and how it is exhibited.
- Confirm and commit to shared core values that all are accountable to.

Discovering Your Family Business Values

All businesses have core values, or tightly held beliefs, that guide decision-making, priorities and the way individuals interact with each other inside and outside the business. Even if values are not written down, they’re present, and when values don’t align conflict is common.

In family business, strong and clear core values create clarity, assure alignment and enable individuals to hold themselves (and each other) accountable in a positive and constructive way. Core values also help new family members and non-family employees coming into the business understand what’s expected of them (and what they can expect from others) to help the business continue over generations.

In multi-generational family businesses, core values are present already, and the family’s work is to identify, define and share them. Values such as stewardship, work ethic, resilience, philanthropy and other tightly held beliefs have helped the business endure over generations. In established businesses, values do not change significantly over time, but evolve slowly. In new family businesses, defining values is a discovery process that may take time and multiple reviews to ‘get them right’ as the business and team strive to find their purpose and identity.

There is no ‘right’ set of values for family business and a common mistake is to include values members of the business think they ‘should’ have instead of the true values that truly guide day-to-day decisions and interactions. It’s okay for values to be aspirational (we aren’t there yet, but want to be), but they must be authentic. Identifying and discovering values takes time and can be challenging, but the effort pays off in the form of alignment and a solid foundation during the planning process and in day-to-day work and interactions.

What are values?

- Essential and enduring beliefs; the lens through which all decisions are evaluated.
- Personal and business convictions.
- Independent of the current external environment.
- True to who you are as a family and a business, not just what ‘sounds good.’

How to define values:

- Definitions should describe how values are demonstrated in the business. For example, the value ‘integrity’ may be defined as: “We do what we say and follow-through on commitments.”
- Definitions should apply to all individuals and situations instead of just being specific examples of when a value is or was exhibited.
- Definitions should not include the value itself. For example, the definition of ‘honesty’ should not be “we are honest in all we do,” but could be, “We tell the truth, even when it’s difficult.”

Group Discussion Guide

Including all family members and spouses in these discussions is important to ensure transparency, understand all perspectives and to maintain family relationships.

Prepare Participants

- Schedule a dedicated time (1-2 hours depending on the group size) for a focused discussion.
- Recommend listening to the [Family Business Values episode](#) of the Northwest FCS Strategic Business Planning audio series prior to discussion.
- Provide this Family Business Values Guide to all participants.

Define Roles

- Identify a facilitator to keep the group focused and moving through the discussion.
- Review the meeting ground rules from previous discussions and verify agreement or possible changes.
- Designate one person to take ‘official’ notes documenting the discussion and any decisions.

Instructions

- Use the table provided below to inventory family perspectives on “values” and “definitions.”
- Give participants 5-7 minutes to write down and define values they see in the business.
- Start with one person and ask them to share the value they are most passionate about.
- Go to the next person and ask if they had the same value and if they described it differently. To the extent it’s different, the notetaker should add the additional clarity to the definition.
- Continue around the table until the discussion “comes back” to the person who proposed the value.
- Repeat the process with each participant sharing their next highest priority value (no repeats), until all participants’ values have been listed and defined.
- Once the exercise is concluded, go around the table and have each participant read one value and description aloud. Discuss differences of opinion and refine if needed.
- Ask the group to reflect on each value and confirm if it accurately describes shared values.

Core Value <i>(one or two word description)</i>	Definition <i>(*begin each definition with “We...”)</i>

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