



Excerpted from
FastTrac® TechVenture™



TAKE CHARGE OF YOUR BUSINESS®

A program of the Kauffman Foundation

Creating Clarity in the Organization

Your company's core values provide an important basis for making decisions. These values are a set of ideas or beliefs that you have about how the business will operate, its role in the community, and employee support.

You communicate your values through your personal vision as defined in Module 1. The vision outlines your lifestyle, professional, and financial goals. Building upon this framework, you can establish the particular criteria that form values for the entire company. When you present these values in a clear way, the people in the business will know how and why decisions are made.

Creating Clarity in the Organization

In his analysis of the successful growth of Ewing Marion Kauffman's Marion Laboratories, Gerald W. Holder attributed much of the strength of the organization to an entrepreneurial leadership team that focused significant energy on creating clarity throughout the workforce.

This focus enabled people to operate with a common understanding and purpose. It required leaders to establish clarity for themselves first, and then to implement a major communications and reinforcement effort to create it for the organization. Holder identified the following four clarities as critical to the success of Marion Laboratories:

Clarity of purpose – It is important that people know why the organization exists. People want to be part of an organization that is the first or best at something, does what no other organization has ever done, helps people solve problems, or helps people lead better, safer, healthier, or more productive lives.

Clarity of direction – With careful thought and communication, people know where they are headed with the business. They know the kinds of skills and talent they need to bring to the company.

Clarity of structure – People need to know their roles and responsibilities as well as those of others in the organization. This knowledge and confidence allows them to concentrate on their own job and give it their full energy while recognizing the interdependence of the employee team.

Clarity of measurement – Knowing how to measure the results in a business is essential. The entrepreneur should explain to people within the organization what is being measured, how it is being measured, and why it is being measured.

All too often, companies spend significant time and resources crafting a catchy mission statement that is not easily translated into objectives for day-to-day contributions by employees. In fact, many studies have found not only that employees did not know what their organization's vision was, but that senior management frequently disagreed about what the vision, strategies, and objectives were.

TIP When describing the vision, strategy, and objectives, be sure to clarify words that are subject to interpretation. For instance, "significant results" could be interpreted differently.