

# 10 TIPS

## FOR CREATING A STRONG CORPORATE CULTURE



The Los Angeles Regional  
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*You've got questions.  
We've got answers.*

What can a strong corporate culture do for your small business? A better question might be, What can't it do? A study by Harvard Business School Professor Emeritus James L. Heskett found that up to half of the difference in operating profit between companies is due to their corporate cultures. A strong corporate culture also leads to lower turnover, which means lower hiring and training costs, higher productivity, better customer relationships, greater customer loyalty, lower marketing costs and enhanced sales. How can your small business create a strong corporate culture? Here are 10 tips.

- 1 TAKE RESPONSIBILITY.** Every business has a corporate culture—a collection of shared values, traditions and goals that make it unique. The difference is, strong corporate cultures arise consciously, shaped by the business owner, while weak ones arise accidentally from neglect.
- 2 CREATE A MISSION STATEMENT.** Your company's mission statement, which clearly conveys your business's goals, philosophy, and unique differentiators one sentence or two, will be a reference point for developing and maintaining your corporate culture.
- 3 KEEP IT AUTHENTIC.** Corporate culture should be a natural outgrowth of your business's mission, your industry, your customers and even your personality. Don't try to "force" a corporate culture that's not authentic. IBM has one corporate culture; Zappos has a very different one. Each is authentic to the business involved.
- 4 INVOLVE YOUR TEAM.** Although you are a key driver of your business's corporate culture, that doesn't mean you can impose it from the top down. Involve your employees in fine-tuning your mission statement and determining what kind of culture they want to create.
- 5 CREATE RITUALS.** Rituals, stories and rites of passage help create and sustain corporate culture. Whether it's a weekly Friday pizza lunch, a celebration for employees who reach certain milestones or just the stories you tell when you welcome new employees to the team, create rituals that convey your corporate culture.
- 6 HIRE FOR FIT.** Look for job candidates whose personalities and attitudes mesh with your culture. Fit is more important than skill. A job candidate might have years of experience, but if he or she is uptight and rigid while your culture is loose and fun, the new hire won't be happy—and neither will you.
- 7 EXPRESS YOUR CORPORATE CULTURE IN EVERYTHING YOU DO.** Everything from the design of your office or stores, to the appearance and tone of your marketing materials, to the way your employees interact with customers should clearly convey your corporate culture to the outside world.
- 8 DON'T CONFUSE "CULTURE" WITH "CRAZY."** Wacky corporate cultures get a lot of attention these days, but being zany on the outside doesn't mean slacking off. Build rigor, ethics and responsibility into your corporate culture to create a firm foundation for growth.
- 9 CHECK IN PERIODICALLY.** Three out of four executives in an MWW Group survey say their corporate culture is the major driver of their business's reputation, but just 5 percent felt their company's culture was strong enough to prevent a reputational crisis. Assess your corporate culture periodically to make sure it's still working for your business.
- 10 BE READY TO CHANGE.** Nothing stays static in business today, and the corporate culture that works when your company is in the early stages may need to evolve as your business grows. If your corporate culture needs a tune-up, don't be afraid to make changes.

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