

College of Business Book Review by Robert Carton

Title: "The Value Habit (a practical guide to creating value)

Author: Dalton, Bob and Brent Wortman

Publisher: Deloitte Touche Tohmatsu

Length: 56 pages with "Adopting the Value Habit"

Price: Free (Paperback or Downloadable PDF)

Reading time: 1.5 hours

Reading rating: 10 (1 = very difficult; 10 = very easy)

Overall rating: 4 (1 = average; 4 = outstanding)

One of the most useful guides I have found in consulting and teaching how to create value in a business is a free book produced by the consulting firm of Deloitte & Touche. Ordinarily I would review a new book that you could purchase at the usual outlets, but given the state of the economy, I thought it would be helpful to offer a book that can be obtained for free and provides excellent advice for any business. "The Value Habit" and "Adopting the Value Habit" are part of the Straight Talk Series of books produced by Deloitte and distributed either in hardcopy or by download for free at www.deloitte.com/dtt/article/0,1002,sid=63956&cid=67406,00.html.

The book starts with the assumption that you know what makes your business valuable. From this jumping off point, the book examines how organizational structure and external pressures keep you from acting on what you know. The authors propose that these institutional constraints cause managers to adopt value destroying behaviors. Each brief chapter of the book examines these behaviors and offers alternative behaviors that address the same underlying issues but from a value-creating approach. The essence of the problem is not what you know, but where you focus, what you do, and how you do it.

Translating intention into action is the first value-creating action addressed. The authors argue that common knowledge does not translate into common practice. To overcome this obstacle, managers must first translate their vision into tangible objectives, realign organizational focus to strategies that map to these objectives, and adopt behaviors that facilitate the execution of the plan.

This sounds both logical and easy. However, in my experience most companies have lost sight of what their customers are buying and have focused instead on what they are selling. Consequently, they focus on the efficiency of producing their product and not on delivering the true value the customer is seeking. It is critical to align what you do with the value you are promising. This alignment should be reinforced by rewarding what you really want done, not what is being done.

The authors suggest that if your vision is to be viewed as a top quality company, the firm should express this vision through every action, at every level in the company. The company must be organized to deliver the value proposition. This is only possible through a clearly articulated company philosophy of business that connects the actions the company takes with the value-created for customers, resulting in the value-creation for the business itself. "Get the means right, and the right ends will follow."

In "Adopting the Value Habit", the authors provide practical approaches to implementation of the "The Value Habit" and reinforce the lessons with relevant examples. Combined, the two books are easy to read, provide easy to follow prescriptions for action, and connect theory to application. I use both of these books regularly in my classes and in my consulting. After a meeting with the chief marketing officer of one of the largest companies in the country, he was so taken by the Enterprise Value Map and the connections to organizational action he left a copy of the book on the desk of the CEO with a simple note saying "Why aren't we doing this?"

Bob Carton is an Assistant Professor of Entrepreneurship in the College of Business at Western Carolina University. For previously reviewed books, visit our Web site at www.wcu.edu/cob/.