

## Corporate Philosophy – a Guiding Light and Source of Energy



According to a study of 'Mittelstand in Deutschland' (MIND<sup>1</sup>), only 13 percent of German SMEs have a written corporate philosophy or vision. At least 35 percent say they have one; however, it is not in writing. Over half of SMEs completely ignore this strategic element. The norm is: the smaller the SME, the less likely it will have a corporate philosophy. Is a corporate philosophy really dispensable for small companies? What is its exact meaning and what are the advantages?

The corporate philosophy covers fundamental thoughts related to the company. It includes a vision, the values and a mission. The **vision**, also known as '**The Mission Statement**,' describes the picture of the company in the future. Where would the company eventually like to be? The definition of the vision is an important task of the entrepreneur. One who has no clear vision and who does not pass it on cannot enthuse and motivate others.

The **values**, sometimes called '**The Code of Ethics**,' can be co-authored by employees. After all, theoretically defined values have no use if they are not lived.

### Corporate Philosophy

#### Vision:

- Guiding Light
- Source of Energy
- Significant

#### Values/Ethics:

- 'We' feeling
- Principles
- Business Culture
- Public Impression

#### Mission:

- Concrete guidelines for the decisions and actions of each individual.

The discussion about joint values can be a teambuilding experience and distinctive for the employees. The values establish a framework for behaviour that is binding for everyone. Acting as an important role model, management must exemplify these principles at all times. Values influence the **business culture**. This can be readily recognised by customers, partners and suppliers and will have impact on the company's image.

Finally, the **mission** states how the company intends to reach the vision. How should you act in order to achieve the desired result? It directs the business practices publicly.

A clearly defined corporate philosophy gives the entrepreneur the opportunity to hold all the

aces:

- The joint direction is clear to supervisors and staff. The vision is like a **lighthouse**, always shining and guiding the way. In this way, existing and new employees can see the **meaning** of their work.
- Out of the conflict between the 'current' status and the 'target' status arises the motivation for change, which proves to be a constant **source of energy**.
- If you are aware of the vision, you can more easily define for yourself **concrete intermediate goals**.
- The business culture will also be demonstrated publicly and this has an impact on the company's image in the market.

A corporate philosophy creates competitive advantages which can be measured in the employees' performance resulting in the company's success. The **BEITRAINING**<sup>®</sup> seminar **BYB (Building Your Business)**<sup>®</sup> thoroughly deals with this topic.

### Quotation of the Month:

"Where an enthusiast stands, that's the top of the world."

*Joseph von Eichendorff*

### **BEITRAINING**<sup>®</sup> opens the second Training Centre in Hamburg

Not long ago the first **BEITRAINING**<sup>®</sup> Training Centre in Hamburg was opened. And now the franchise licence for another Training Centre, Hamburg Sued-West, has been granted to Thomas Lisching.



Mr. Lisching is an expert in the Financial Service Industry. After his apprenticeship he started his career as an actuary in a large German Life Insurance Company where he held a number of different positions; most recently he was the manager of a Regional Sales Service Centre.

"Within a market which is rapidly changing, the quality of the personnel is a crucial point for the success of the company. **BEITRAINING**<sup>®</sup> offers solutions that can immediately be put into practice, thereby enabling measurable results."



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<sup>1</sup> MIND 04, „Mittelstand in Deutschland“  
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