

BUSINESS ACTION GUIDE

Leading at the Intersection of People & Profits

SET THE STAGE FOR SUCCESS

Communicating Company Values Clearly: Tasty Catering

Clearly defining your company's core values – and communicating them consistently – is one of the most fundamental steps in building an engaged, productive workforce. Doing so ensures that employees understand exactly what is expected of them, reducing confusion and the need for micromanagement. Working with employees to identify and define the core values ensures a higher level of buy-in. To learn more about how to do this, we spoke with

Tasty Catering



TOM WALTER, CEO/
CHIEF CULTURE OFFICER

Tom Walter, CEO/Chief Culture Officer of Tasty Catering, a catering company located in Elk Grove Village, IL. Tasty Catering has several sister companies, including a marketing agency for the catering industry, a gift basket company that donates weekend meals to children for every purchase, a wholesale contract manufacturer of baked goods, and an investment firm. Between them, the companies employ 73 people, although this increases to 150 during the busy seasons.

Tasty Catering's transformation into an employee-centered culture started with an ultimatum. One day in 2005, after my brothers Kevin and Larry and I had been in business together for 25 years, two up-and-coming company leaders (the younger generation of the family) came into my office and said "You have to change or we're leaving." Tim and Jamie, both in their early 20s, said they were no longer willing to work with the traditional command-and-control model of business or to be at the whim of the three brothers' moods. Instead, they wanted a new culture that was generated and maintained by the employees. We couldn't afford to lose Tim and Jamie, and we wanted to be a company that was attractive to the millennial generation. So we embarked on a journey to create a new kind of culture at Tasty Catering. These are some key lessons we learned in the process:

1. Define values everyone can own

We began our change process by giving all employees a copy of Jim Collins' book *Good to Great*, in either English or Spanish. We formed a Good to Great Council with rotating representatives from each department, and created teams throughout the business. Each team met and decided on the core values they felt were most important. Then a representative from each team met with the Good to Great Council to establish Tasty Catering's core values (see sidebar, page 2). After they were defined, we posted the core values prominently in both English and Spanish throughout the company and we constantly refer to them.

TASTY CATERING'S FORMULA FOR COMMUNICATING COMPANY VALUES:

1. Define values everyone can own
2. Use values to guide performance
3. Autopsy without blame
4. Keep it positive
5. Live your values through repetition and shared language

Defining our values in this way earned a deep level of buy-in, because everyone helped create them. On an ongoing basis, the Good to Great Council ensures that Tasty Catering's culture remains employee-focused by helping to steer the company's direction and finding ways to increase everyone's productivity. For example, the Council asked everyone, "What is one thing that disrupts you at work?" One person said the door opening 150 times a day constantly interrupted her thought process. We put her in an interior cube away from the door, and her productivity went up 40 percent. Another question they asked is "What is one thing you would change at the company?" Everyone has a say, and then the Council hashes it out and implements the ideas that are the most feasible.

2. Use values to guide performance

In addition to *Good to Great*, our culture at Tasty Catering has been influenced by the philosopher Immanuel Kant, who believed people were most free within a framework of clearly established discipline (Tasty Catering's core value #7). Our core values provide that framework. We also implemented open-book management, so people at every level understand how the business makes money and where it stands at any given point (see *separate practice, Structuring and Playing Mini-Games: Tasty Catering*). All of our people know that as long as they stay within the parameters of the core values, they are free to make decisions and implement efficiencies without going up the ladder.

As a result, the company basically runs itself; the employees serve as checks and balances for each other. The results bear out this approach: last year over the course of 10,365 events, there were only 81 errors. We attribute this low error rate to the ability of employees to make decisions on the fly. For example, the truck drivers are brand ambassadors. If the order is not right, they are empowered to say "There will be no charge."

3. Autopsy without blame

Despite the high level of ownership by employees, some errors are inevitable. But if someone makes a mistake, we don't criticize them. We simply dig to the root of the issue to find the cause and prevent a repeat occurrence. We call this the "autopsy without blame." When people know that they won't be blamed or punished for a mistake, fewer things get swept under the rug, there is less finger pointing, and a lot of time is saved. Blame is easy to overcome if leadership restricts defensiveness, so we make sure to practice this at every level. Interestingly, when we hire new management from corporate America, it takes them about two years to get rid of the defensiveness. People appreciate the respect they are given at Tasty Catering.

TASTY CATERING CORE VALUES

1. Always moral, ethical and legal
2. Treat all with respect
3. Quality in everything we do
4. High customer service standards
5. A competitive and strong determination to be the best
6. An enduring culture of individual discipline
7. Freedom and responsibility within the culture of individual discipline

4. Keep it positive

In our newsletter, the owners only write one paragraph. The rest is employees communicating with each other, thanking the culinary team for good food, or thanking the brand ambassadors for a job well done. Communicating appreciation is very important. We also have lunch together every day at a meal prepared by our chef, and people get the chance to talk across departments. On Tuesdays we bring in guests, and on Wednesdays we have the open-book management huddle to check in on the financial metrics and to appreciate each other for the things that are going well.

5. Live your values through repetition and shared language

Our core values truly serve as a guide to everything we do. They are read at the beginning of every meeting of three or more people and in the truck on the way to a catering job. Each person probably reads them three or four times in the course of a week. We also consult

them at key decision points – if there is a grey area we immediately go to the core values. We give each other feedback based on the values every day. One thing we learned early on was to put numbers in front of each of our core values. It can be hard to say, “You are not treating me with respect;” it’s much easier to say “#2!”

FINAL WORDS OF WISDOM

According to Gallup, the average company has 37 percent employee engagement, and 68 percent is considered very good. At Tasty Catering, we have 98 percent employee engagement. Our turnover rate is one percent a year in an industry that averages 75 percent turnover, which saves us a ton of money. We have been recognized numerous times as a Best Place to Work, and we have strong sales and customer loyalty. We now have 55 employee owners, and my brothers and I have become servant leaders. Employees just come to us for advice.

HOW DO WE LEARN MORE?

[Harvard Business Review: Make Your Values Mean Something](#)

[Huff Post Business: Why Should Companies and Employees Have Shared Values?](#)

[Fast Company: Culture Eats Strategy for Lunch](#)

[Kenneth R. Thompson, Ramon L. Benedetto, Thomas J. Walter, and Molly Meyer: It’s My Company Too: How Entangled Companies Move Beyond Employee Engagement for Remarkable Results](#)

[Benedictine Center for Values Driven Leadership Video: How to Build a People-Centered Culture from the Ground Up – Tasty Catering](#)

[Benedictine Center for Values-Driven Leadership Video: Use Your Core Values To Drive Decision Making: Here’s How - Tasty Catering](#)

[Jim Collins: Good to Great: Why Some Companies Make The Leap ... And Others Don’t](#)

Other companies that excel at communicating the company’s values clearly and consistently include Zappos, SRC and Zingerman’s.

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