

OPERATING PRINCIPLES FOR HIGH-PERFORMING COMPANIES

Operating principles are the rules of the road that enable people to know what's in bounds – and what's out-of-bounds – in their companies and workplaces. Operating principles can serve as guides, helping people make sound decisions, building trust and enabling greater innovation.

Google has ten operating principles that guide its work:

1. Focus on the user and all else will follow.
2. It's best to do one thing really, really well.
3. Fast is better than slow.
4. Democracy on the web works.
5. You don't need to be at your desk to need an answer.
6. You can make money without doing evil.
7. There's always more information out there.
8. The need for information crosses all borders.
9. You can be serious without a suit.
10. Great just isn't good enough.

Whole Foods Market also has operating principles. One of its rules states that: "Employees will treat suppliers with respect, fairness and integrity, and expect the same in return. Any conflicts must be mediated and win-win solutions found. Creating and nurturing this community of stakeholders is critical to the long-term success of our company."

When Whole Foods found itself in the middle of a conflict with its largest supplier of organic foods, it used this rule to ensure a successful outcome. Rather than try to impose a solution, it focused on communication and mediation. The result was a new agreement that both sides hailed.

Working with the management team of a software company in California, we developed four very simple operating rules:

Rule 1: On time, on budget, no excuses.

Rule 2: Information is to be shared, not hoarded.

Rule 3: Bad news is not like wine. Share it right away.

Rule 4: Conflicts can only be resolved by communication, not triangulation.

Here are some other examples of operating principles. Feel free to invent your own.

- We owe it to one another to communicate to each other first – good news and bad.
- We are careful not to make assumptions about each other – or our businesses.
- We focus on big issues rather than on small issues.
- We hold regular meetings, even if it's just to share information.

- We make clear the decision-making roles of the group and individuals.
- We ask challenging questions because we need to understand each other's priorities and portray each other in the best possible light.
- We don't assume that something is meant in a negative way – we check our assumptions.
- It's okay for us to say "I don't know – I'll get back to you in twenty-four hours."
- If there are issues between us, then we first go to each other and discuss it. Only if we can't resolve it on our own will we go to our boss, and we will go together. And he'll play referee.

Rules of engagement can take many forms. They can be short and sweet; they can be long and detailed. The important point is to take the time to define the rules for your company or team. You wouldn't play a game of baseball or football without defining the rules. It's no different for the workplace.