

Operating Principles

- Translates Values into Concrete Daily Action
- Provides Broad Understanding of the Quality of Interaction
- Gives Deeper Meaning to the Agreement or Contract
- Guides Decision-making in situations of Ambiguity or where Contract is Obsolete or Inadequate
- Helps bring new people on board
- Sets parameters for a cooperative culture




Convert Values into Mutual Operating Principles

Values tend to be Broad & Philosophic

5 Key Values

- *Intense Collaboration*
- *Passionate Customer Focus*
- *Thoughtful Fast Disciplined Execution*
- *Tenacious Commitment to Continuous Improvement*
- *Relentless Drive to Win*

Where people make the difference

FLEXTRONICS  Culture

Example

- Operating Principles
 - Joint & Personal Commitment by all members of the alliance
 - Unify differing Values of the members into specific daily actions
- Remember the Core Principle:

***People Support
What They Help
Create***



The following pages provide some samples of Operating Principles that might trigger some thinking

Please be creative with your Operating Principles

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don't just copy these



Operating Principles

The Eight Basics of Trust

1. **F**airness & Balance for the Good of All
2. **A**ccountability & Responsibility
3. **R**espect & Resiliency
4. **I**ntegrity & Commitment/Courage
5. **H**onesty & Honor
6. **E**mpathy & Compassion
7. **S**afety & Security
8. **T**ransparency & Truthfulness



Alliance Operating Principles

IT Outsourcing Procter & Gamble & HP

We behave as Leaders of an Extraordinary alliance:

- **Operate as One**
- **Serve P&G's Global Business Units and Corporate Functions**
- **Look and Strive for Win-Win**
- **Plan Jointly**
- **Provide Visibility to make effective business decisions**
- **Deliver on our Commitments**
- **Anticipate, Confront, Discuss and Resolve breakdowns quickly**
- **Default to Innovation First, before trade-offs**
- **Make Principle-Based decisions**
- **Treat all Employees as Valued Partners**
- **Communicate Openly, Often and Clearly**
- **Share Accountability, Risk and Reward**



EXAMPLE

P&G and IBM Employee Services Alliance

Operating Principles

Apply our principles to all levels of engagement between P&G & IBM

Without Operating Principles, the members of the Alliance will inadvertently revert to an obsolete or incomplete contract.

1. Build together a “story” of unprecedented level of partnership in this market. We help each other be the best in our respective industries and markets.
2. Think Long-term – We think strategically and long-term in what we do, recognizing that there are no easy shortcuts or easy gains.
3. Our partnership is led by joint business needs and not by a contract ‘per se’. We are linked by our commitment to the joint Value Proposition and Business plan. The contract is a framework, not the first or main reference for our partnership. We respect that each party has individual and shared goals and we work together to find win-win ways to pursue them.
4. Think “win-win”, always. We seek solutions in the spirit of “what is right” and “what is fair” for both companies. Decisions are made and actions are taken to address mutual benefit for the greater good of the partners.
5. Focus is on our user and customer -- We are led in our work by the objective to deliver the joint value proposition to our users and customers, meeting and beating their expectations. We empower our customers via a choice of offerings based on productivity, innovation and cost efficiency.
6. Empower – We build a culture based on transparency, communication, decision making delegated to the people closest to the decision, right organizational structure and rewards. Leaders are there to remove barriers and enable the two organizations to perform at their peak. We trust each individual knows when to make a decision or escalate.
7. Build Productive Relationships –We treat each other with mutual trust and respect as a basis for on-going productive relationships. We have clear roles, responsibilities and work processes we are committed to respect.
8. Operate with Transparency – We want a transparent environment to understand other’s needs and issues and determine together mutually possible win-win approaches and solutions.
9. Communicate frequently and openly –We agree on frequent, open and direct communications within each organization, as well as across our two organizations, at all levels. Leaders commit to communicate regularly the key decisions taken at Joint Steering Team level.
10. Focus and Sense of Urgency – Steadfast and timely progress toward our goals is essential because of the competitive environments we operate in. Decisions are made to respond quickly, soundly and adequately.
11. Build on the diversity of our cultures - We capitalize on the strengths and capabilities of both organizations to achieve success beyond what either company could achieve by operating alone.
12. Drive Innovation – We recognize that Innovation is to be worked jointly by both parties. We always look for better way of doing things. As partners we remain open to new ideas and seek to understand them.
13. Build the success of our partnership via our people, being sensitive to their needs, offering them growth opportunities, and valuing their perspective. We understand and respect the individual personal transition required by our new model.



Building a Collaborative Culture

Principles of Cooperation



EXAMPLE

Statement of Principles Condominium Members

As a Member of our Condominium Community, I hereby pledge to:

◆ Principles of Cooperation

- Statement of Principles
- Core Values
- Charter of Expectations

- 1. Build a Spirit of Cooperation among our Community**
 - Work for the Greater Good: “All for One, One for All”
 - From Chaos Seek Unity, From Discord Find Harmony
 - Tolerate No Divisiveness, No Polarization, No Back-Biting
- 2. Engage & Embrace all Members with Respect**
 - Respect Everyone’s Need for Solitude, Peace, and Tranquility
 - Respect and Listen to those with a Different View
 - Seek Always to Bring Out the Best in Others
- 3. Build Relationships based on Trust, Integrity, and Ethics**
 - Speak only the Truth, Otherwise be Silent
 - Give People the Benefit of the Doubt
 - When wrong, Acknowledge, Apologize, then take Corrective Action
- 4. Speak Only the Language of Cooperation:**
 - Seek Solutions, Not Blame
 - Neither Speak nor Spread any Gossip
 - Forgive those who Apologize for their Transgressions
- 5. Disagree without being Disagreeable**
 - Be Critical without Criticizing
 - Never Threaten, Attack Issues but not People
 - Do whatever Can Be Done, and Gracefully Accept what Can’t.
- 6. Try to Bring a Spirit of Joy to All**
 - Dwell Not in Negativity
 - Complain Not about Petty Things
 - Receive Everyone with a Cheerful Face and Open Arms
- 7. Keep a Positive and Caring Attitude**
 - Listen with Empathy and Compassion
 - Hold our Responsibilities as Dearly as our Rights
 - Respect the Minority’s Needs, even though the Majority Rule
- 8. Live by the Spirit, not just the Letter, of the By-Laws**
 - Live with the Intention of Peace & Harmony
 - Live to Create Advantage for Everyone, not to take advantage just for yourself
 - Respect the Law for the Guidance it gives, not for loopholes that may create an advantage for one over others

Building a Collaborative Culture

Principles of Cooperation

Core Values

Magma-Gould Alliance

EXAMPLE

- **Our Core Values are:**

- **Focus:** On the Customer and creating superior Added-Value
- **Commitments:** Meet Commitments and Milestones on Time
- **Communications:** Open & Honest, go past meeting halfway
- **Changes:** Notify Quickly & Honestly, Face Reality
- **Decision Making:** Quickly, Team Ownership
- **Champions:** Stay ahead of things, sustain momentum
- **Relationships:** Build solid, long-term relationships based on trust
- **Problems:** Address problems before escalation, fix quickly
- **Ethics:** Environmental Responsibility, Highest Business Ethics
- **Support:** Help each other out when necessary
- **Spirit:** Create opportunities for growth & breakthroughs
- **Fairness:** Neither Party benefits at expense of Other
- **Flexibility:** Change with the times and new pressures



EXAMPLE

Building a Collaborative Culture

Principles of Cooperation

Strategic Alliance Charter of Expectations

◆ Principles of Cooperation

- **Statement of Principles**
- **Core Values**
- **Charter of Expectations**

1. Alliance Management:

The alliance managers are committed to using the Best Practices outlined in the Alliance User Guide.

2. Assignment of Personnel:

We will insist that high quality people are assigned to work in the alliance to help ensure high performance.

3. Performance Review:

We will conduct a strategic and operational performance review every six months, and make corrections rapidly when required between reviews.

4. Risk/Reward:

We will encourage informed risk taking in achieving the alliance shared vision

5. Urgency for Change:

Having asked our boards to support the alliance, we need to consider every decision's impact on achieving promised short-term results

6. Achievement:

We seek to reward *shared* achievement, balancing individual excellence with team accomplishment

7. Approval:

Middle and front line management will be able to make the investment decisions necessary to resolve customer issues on the spot

8. Power/Control:

We will share power with our customers. Customers will have the ability to modify orders (within parameters) up to 24 hours in advance without penalty

9. Learning:

Mistakes will not be punished or seen as failures, but be treated as learnings and opportunities to turn breakdowns into breakthroughs.

10. Decision Making:

Decisions will be made at the lowest levels possible

11. Support:

We will engage all employees in the change process and work with those whose skills are no longer needed to seek gainful employment elsewhere

12. Conflict Resolution:

Immediate and aggressive handling of conflicts will be the norm. Disputants will candidly but constructively share concerns and grievances

13. Time Perspective:

We will focus our energy and talents on creating a shared future, not on advancing our individual organizations or living in their past successes

14. Relationships:

Teamwork and cross-process/cross-function collaboration must characterize all our interactions

15. Budget & Resources:

Alliance managers are committed to be strong advocates for sufficient resources to be allocated to the alliance to ensure its success.



Tara Alliance -- Operating Principles

1. Commit to the Mission and Destiny

- Mission: Our Mission is to rebuild communities and families that exemplify cooperation, trust, and innovation, thus demonstrating the capacity of humans to work, live, and celebrate life together synergizing their differences.
- Destiny: Our Destiny is to enable everyone to realize their highest and greatest potential.
- Action: I agree to use this mission and destiny as a guide to all my actions

2. Go for Excellence and Co-Creation

- Arising: I commit to support others and be supported in being reborn anew at a higher level, to strive to the best we can be, and to co-create with others the bold new future we seek.
- Synergy & Harmony: I will strive to generate synergy and build harmony among those with whom I interact.
- Questions: I agree to ask questions, seek opportunities to learn from our experiences, to understand, and never rush to judgment.
- Problems: Everything that looks like a problem is an opportunity to co-create and innovate and build a relationship anew. I agree to offer at least one solution any time I present a problem or to express my willingness to work towards finding a solution.
- Lighten Up: I agree to create joy in my relationships, my work, and my life! to find humor and laugh at my own fallibilities.

3. Build Trust

- Honorable Purpose: In every engagement with others and in every action I take, I will ensure my purpose and intent is honorable, and thus I will honor other people.
- Cherish Differences: Each person is unique and different to be appreciated and honored as a source of synergy and co-creation. I agree to build cooperation and be compassionate to the needs and experiences of others, and will honor the differences in approach, while our goals are aligned.
- Greater Good: I promise to equitably and openly balance my personal self-interest with the greater good of Tara's mission and purpose.
- Build Relationships: I commit to engage others by listening with an open heart and mind, to keep others safe, to appreciate their contributions as teammates, to create a sense of belonging, and to engage others with a positive, non-critical attitude.
- Upsets: If I am upset with another person, I promise to listen to their story, seek facts, and never engage in gossip, manipulation, or deceit.
- Integrity: I agree to speak only the truth, simply and straightforwardly, with compassion for myself and others.

4. Be a Leader

- Champion a Cause: I agree to make a powerful commitment to take whatever honorable actions are required to build support for a noble cause related to our mission and destiny.
- Empowerment: I agree to use my skills, insights, and resources to empower others to take fulfilling actions to move forward as a team (to be the empoweror, not the emperor)

