

Entrepreneurial Ethics

why it's important

Ryder Scott Conference

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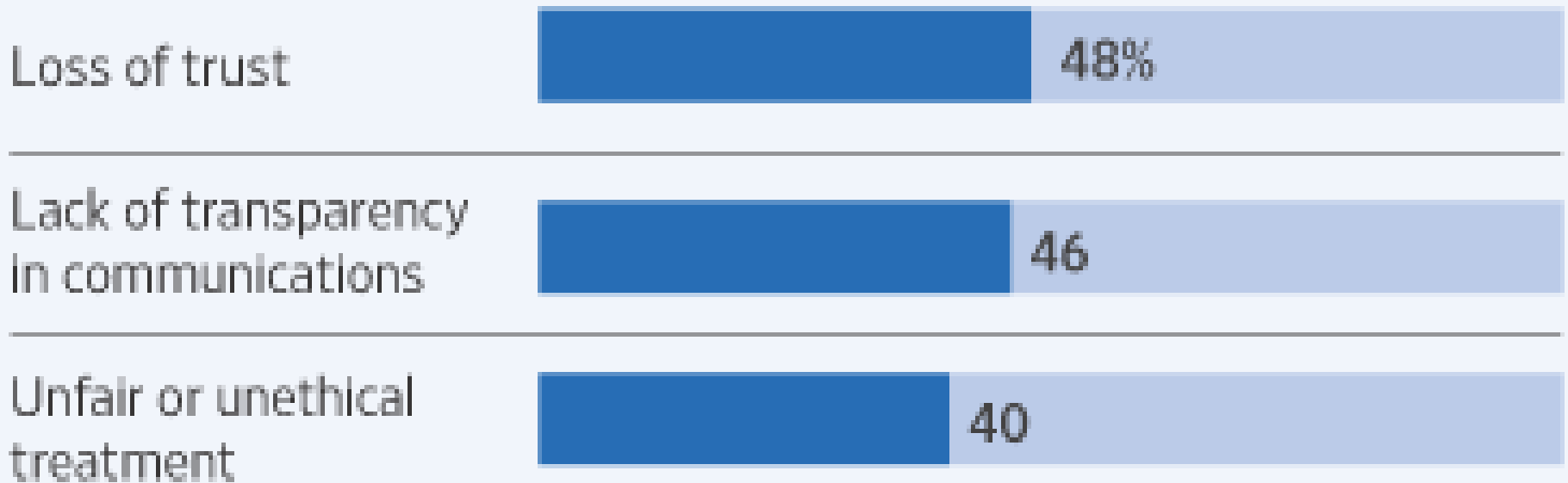
What is “Ethics”?

Ethical

principled, fair,
honest, truthful,
“having integrity”

Stat of the Week

Ready to Go: Americans feel workplace trust and ethics diminished during the recession and 34% of workers say they plan to seek a new job once the economy picks up, according to a survey by Deloitte*. Here's a look at why they're ready to go:



*A Deloitte LLP survey of 754 employees

Why is “Ethics” Important?

- Success as a small venture is tied to being viewed as a person and enterprise of integrity (Ethics=Integrity)
 - ✓ Integrity is required to secure funding & resources
 - ✓ Integrity required to secure customers
 - ✓ Basically, unless an enterprise can convince people it is ethical, failure is on the horizon

What's Your Risk Tolerance?

- Large impact on stakeholders - they rely on YOU, not a large organization!
 - Who are your stakeholders?
 - Huge risk in getting it wrong
 - What's the worst thing that can happen?
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- ❖ **Get it wrong: lose your business, pay the fines, go to jail**

Where do you go for help?

- Decisions can be complex & uncertain
 - ✓ little support
 - ✓ the buck stops here
- Where do you go for guidance?
 - ✓ board
 - ✓ management
 - ✓ peers
 - ✓ decision framework

Decision Framework – some help!

Ask yourself:

- Would the resulting action be legal?
- Does the action conform to general practices and standards?
- Have I consulted with others regarding the action and possible consequences?
- Would stakeholders see the action as responsible stewardship?
- Would I mind having information regarding the decision made public?
- Would I feel good about the resulting action?

Some More Thoughts on Ethics and Leadership...

- Who is a leader?
- What is your role as leader?
 - Set the right example
 - Ensure an environment that fosters ethical behavior
 - No tolerance for unethical behavior
 - When is the last time someone was fired for unethical behavior? (business risk)

One Final Thought on Ethics, Leadership and Foresight...

What about the failure of a
leader to “foresee”?

Is it an ethical issue?

One Final Thought on Ethics, Leadership and Foresight...

- A serious ethical compromise today is often the result of a failure at an earlier date to anticipate today's events and take action when the freedom to do the right thing existed*
 - ✓ Making the tough decision before you have to

* after Greenleaf on "Servant Leadership"

With Regard to Ethics and Integrity, who will you be as a Leader?

Thank You for this Opportunity