

LIVE THE LIFE OF A VALUE CREATOR
Florida Atlantic University, Business School
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I am honored to be asked to speak at your graduation ceremony, to share my thoughts, and be with all of you on this special day. As I have walked around the campus of this growing university, I feel the energy, the spirit, the sense of hope, and excitement about the future.

I began my career as an engineer and then served in the Army during the Vietnam era. I concluded that a career in business was right for me and I then earned my MBA. That graduate degree opened a world of exciting possibilities for me. Your hard work in earning your graduate degree will lead to similar exciting opportunities for you to make the world a better place.

Most of my career has focused on researching the performance of business firms, the connection between long-term firm performance and market valuation, and the over-riding imperative of a knowledge-building-value-creation culture.

What I have come to believe is that value creation is the foundation for a prosperous society. With value creation as a guidepost, we are better equipped to transcend the polarization epitomized by capitalism versus socialism or Republican versus Democrat. We can build a more civil society where we seek to build knowledge, to create value for others, and to ensure that no one is left behind. And, for sure, I am excited about the work that will be done by the new value creation center in the college of business at Florida Atlantic University.

I encourage you to commit your working careers to being value creators who continually build knowledge and strive for win-win relationships always. Value creation is about efficiently doing work that contributes to what a customer or client wants, or what a patient needs. Non-value adding work is waste. A value-creation culture is rooted in constructive skepticism about what we think we know to be true and a desire to experiment and discover root causes of problems.

I have four recommendations as to planning your long-term working careers. First, here is the key question: Will working for this organization better improve my problem-solving skills and expand my knowledge base versus alternative opportunities?

Second, be wary of working for highly bureaucratic organizations with a pyramid command-and-control organizational structure and excessive management layers. In these organizations, typically the next level down does whatever it takes to meet the accounting-based performance goals of the next level up. In this type of environment, lower-level employees are not mentored to improve their problem-solving skills. The result: work easily becomes a real grind.

Third, seek employment in organizations where the culture supports you, and where you will be mentored, and have opportunities to improve your skills. Avoid organizations where people at

the top think they have all the answers. Be adventurous in which industries you consider, while looking for organizations where your work could genuinely create value for customers, clients, and patients.

When you have an opportunity to talk with employees of a particular organization, ask probing questions that can reveal if the culture is one of doing whatever it takes to make the numbers and looking for your manager to devise a work-around for significant problems that you encounter. Or, is the culture one of mentoring employees to develop their problem-solving skills so that employees continually expand their knowledge base. The preferred culture will tend to be encountered in flatter organizations versus pyramid command-and-control organizations.

Fourth, you want to work at organizations that will prosper in the future and offer more opportunities for advancement. Spend time reading what the CEO says about the purpose of their organizations. For publicly traded firms, read the shareholder letters written by the CEOs which are in the firm's annual report and any other material you can find. This will also help for job interviews. You are looking for a knowledge-building-value-creation culture that avoids business-as-usual complacency and instead, questions core assumptions, takes pride in experimentation, and adapts early to a changing world.

On my list of the best CEOs of all time are Ken Iverson of Nucor (a steel company noted for its flat organizational structure) and Brad Smith of Intuit (consumer financial software and developer of QuickBooks). Iverson noted: "We anticipate and accept that roughly half of our investments in new ideas and new technologies will yield no usable results ... Our managers focus on shaping an environment that frees employees to determine what they can do and should do to the benefit of themselves and the business." Smith noted: "Our rapid experimentation culture cuts through hierarchy ... creating an environment where everyone can innovate, and debate turns into doing."

These quotes are emblematic of the type of culture in which employees have the freedom to create value to the benefit of all of the organization's stakeholders.

In conclusion, let today's graduation mark the beginning of a journey to live the life of a value creator—all the while striving for win-win relationships. And, in so doing, you certainly can make the world a better place.