

Author, speaking in Syracuse, says ethics give businesses an edge

By Rick Moriarty / The Post-Standard

Tuesday February 10, 2009



At a time when corporate America is under attack for ethical lapses, Dov Seidman has a simple message:

How companies do things is just as important as what they do.

"It's the source of differentiation in the 21st century," Seidman, founder, chairman and chief executive officer of [LRN](#), said Tuesday before a presentation to about 200 people at The Famous Entrepreneurs Series at Onondaga Community College.

"What you do has always mattered, but now it just keeps you in the game," he said in an interview with The Post-Standard. "There's very little winning base on that."

Seidman, author of "[HOW: Why HOW We Do Anything Means Everything in Business \(and in Life\)](#)," founded LRN in 1994. With offices in Los Angeles, New York and London, the company advises companies in ethics and compliance management and education.

Now more than ever, businesses that do not conduct themselves honestly and openly soon find their reputations ruined, he said. And in an age of instant global communications, it can be close to impossible to get that reputation back, he said.

"You can't just go to the next town and start over," he said. "The accusation itself is the penalty, even before you've had a chance to defend yourself."

He cited the case of banks and mortgage companies that made a lot of bad loans, then diced them up and sold them to investors worldwide. When the loans went bad, it came back to hurt the original lenders and their reputations, he said.

"That was a misguided attempt to disconnect in a connected world," he said. "It all came back to them."

Within a corporate organization, managers looking for innovation from their work force will do better inspiring employees rather than coercing them or using a carrot-and-stick approach, he said.

"One way to survive is to thrive," he said. "This is the best way to enlist the best talent in the world. We've entered the era of inspired leadership."