

Integrity

Thanksgiving is a very special holiday. It commemorates the generous spirit of the Wampanoag Native Americans who sustained the starving pilgrims in Plymouth in 1621, and it reminds us of the deep values of family, friendship, and community that underlie our happiness and well-being.

Business is a community as well. Suppliers join with customers to create value for their mutual consumers. We're all in the same boat, each pulling an oar. At the heart of this mutual enterprise, when it works best, is a web of deep trust: trust among business partners and trust among consumers and producers.

This trust rests on a bedrock foundation of integrity. In my course at MIT, I talk to my students each year about the critical importance of having absolute integrity. In the discussion, I emphasize two reasons – one personal the other economic.

On a personal basis, there is a tremendous personal value to living a life of integrity, knowing that you have always done right by other people, and that there are many people whose lives are better because they have interacted with you. That is one of the most wonderful joys of teaching.

On an economic basis, people who value their integrity won't do business with others who do not have integrity. People who cut corners find themselves isolated from the mainstream business community, and it is very hard to climb back from this cellar.

What is integrity? Dick Baker, the headmaster of a small New England independent school, once said that integrity is what you do when no one will find out about it.

Shadow of the leader

There is a useful metaphor in business: shadow of the leader. That means that employees scrutinize their leader's activities for clues on how to act. This applies to values ranging from creativity to open-mindedness, and especially to integrity.

I was reminded of this image when I read "David's Delivery" in the October/November issue of *MSC Today*, the internal company newsletter of MSC Industrial Direct. David Sandler is CEO of the company, and "David's Delivery" is his CEO's column.

The CEO of a New York Stock Exchange company only has a limited number of opportunities to address the whole company. David's choice of integrity as a subject and his strong articulate treatment of the subject speak to his own core values. As a director of the company, I'm proud to offer David's words to you as a Thanksgiving message.

David Sandler's shadow

Whether you're a new associate, have been with us for a few years or are one of our many long-time veterans, given how our population has expanded over the years I thought it would be helpful to talk a bit about an important part of our culture – our core values and how we do business. Regardless of the economic climate, whether in slow times or high-growth periods, regardless of what is currently in vogue or the latest in business trends, we operate with a core set of principles that began going all the way back to our founding by Sid Jacobson in 1941. First on that list is acting with integrity in everything we do. We always make the ethical choice at MSC and for those of you learning how to be most effective in building a career with our company, I wanted to share what I thought might be helpful to use as a guide and act as your compass. While I understand that we run our business with this in mind every day, it is so core to who we are that I wanted to reinforce it:

- 1. Have integrity in everything you do. ALWAYS, period.*
- 2. NEVER confuse our drive to capture market share, generate profit growth, achieve stretch goals, or keep commitments with compromising our integrity as the justification to do so. We are an aggressive company that is constantly raising the bar on ourselves and striving to do better. That's because we drive hard to fulfill our mission statement which is "to be the best" and we take doing so very seriously. Never lose sight that HOW we generate our success is even more important than the end result of whatever is achieved. That is how we have become a company that is built to last and that is how we honor and protect our great legacy.*
- 3. There is NEVER a circumstance where looking the other way or doing something that you would not be fine with having your family read about in your local newspaper is acceptable.*
- 4. When in doubt, re-read number 3.*
- 5. There is no such thing as we do the right thing "wink wink" at MSC. Never, under any circumstance. If ever you sense that is happening, question it immediately and talk to your manager or an HR associate.*
- 6. If ever presented with an ethical dilemma, there is no dilemma, just do the right thing.*

I realize I am being strong in my message but there is nothing I feel more strongly about than acting with integrity. I hope you can appreciate that I want to make my point very clear for all to understand. Our commitment to acting with integrity, fair play in how we operate and being ethical in every thing we do is unwavering and as we grow I want every associate to understand that and hear it directly from me.

By each and every associate accepting responsibility and being accountable to do the right thing we ensure our future as a company that is built to last and one that is the kind of place that associates generations from now will want to join.

Best wishes

Marsha joins me in wishing you and your family a wonderful Thanksgiving.