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Breathe Life Into Your Organization

Purpose is the guiding context for an organization. It establishes direction, engages and empowers employees, motivates leaders and catalyzes growth.

BY NATHAN OWEN ROSENBERG SR.



Purpose has become a topic du jour in the business world.

The idea that companies must engage in a higher **purpose** than merely earning money is commonplace. In January, Larry Fink, CEO of the largest asset manager in the world, sent a letter to CEOs insisting that “companies, both public and private, serve a social **purpose**.” Consumers expect companies to help improve society, he wrote, echoing Sir Richard Branson’s prediction a few years ago that successful brands will have a **purpose** beyond profit.

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What is **purpose**? It is a powerful notion often reduced to touchy-feely corporate initiatives or nonsensical mission statements. In my conversations with executives, I find it more useful to start with what **purpose** is not: It is not a goal to be met or an objective to be achieved, nor a target to be hit, nor, even, a metric to be measured. In other words, it is not something at which you are going to arrive.

Purpose is what you are up to—the answer to the questions, “Why do we exist? For what do we exist? What do we serve?” Think of **purpose** as direction and not destination.

Imagine that you and I are sitting in California. We agree to meet in New York City on a specific day. That is a goal or objective. A goal is a static, singular destination. But **purpose** is direction—always calling out for potent action and new ways of thinking and perceiving.

To further illustrate and continue the metaphor: Our **purpose** is going east. When we reach New York, our work is not done because we have more east to go. We arrive in Paris, and we still have more east to go. When we get to Hong Kong and are in the East, we still have more east to go. Then we get back to California, we have gone as far east as we can go, and we have all the east to go that there ever was.

Having **purpose** as direction, goals are used to measure progress, not as the end in and of themselves. A high-performing company cre-

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ates goals and objectives to help employees plot and measure their progress. If the **purpose** is to move east, specific destinations are spelled out, but the methods by which they are reached need not be stipulated. You want to go to New York by train, I want to fly, and Mary wants to drive—that is all fine, as long as we all arrive in the city on the appointed day.

Moreover, **purpose** allows us to move in parallel, being aligned and independently responsible. You are going to London, Mary is heading to Madrid, and I am traveling to Tangiers. We are all going east, fulfilling our **purpose** and with different goals.

Therefore, people who work in **purpose-led** organizations are empowered. They are able to make decisions that line up with the **purpose** and be responsible for the out-

comes of those decisions. If you are the CEO and know that I am aligned with the company's **purpose**, you know that my decisions will move us in the direction that you want to take the company. If you and I are executive vice presidents in the C-suite, you know that we are moving in the same direction. As my boss, you can spend less time tracking my progress and sweating the small details of my timeline.

This is the beauty of working in a **purpose-driven** company: Employees and teams have greater autonomy and ownership—less need for frequent check-ins, follow-ups and micromanagement. Autonomy is important to us humans; setting our own goals, making decisions and being responsible for outcomes gives us the satisfaction of accomplishment. Executives know that the various functions

and divisions of the company are aligned and not working at **cross-purposes** or suboptimizing their functions. Trust is elevated.

Aspiration

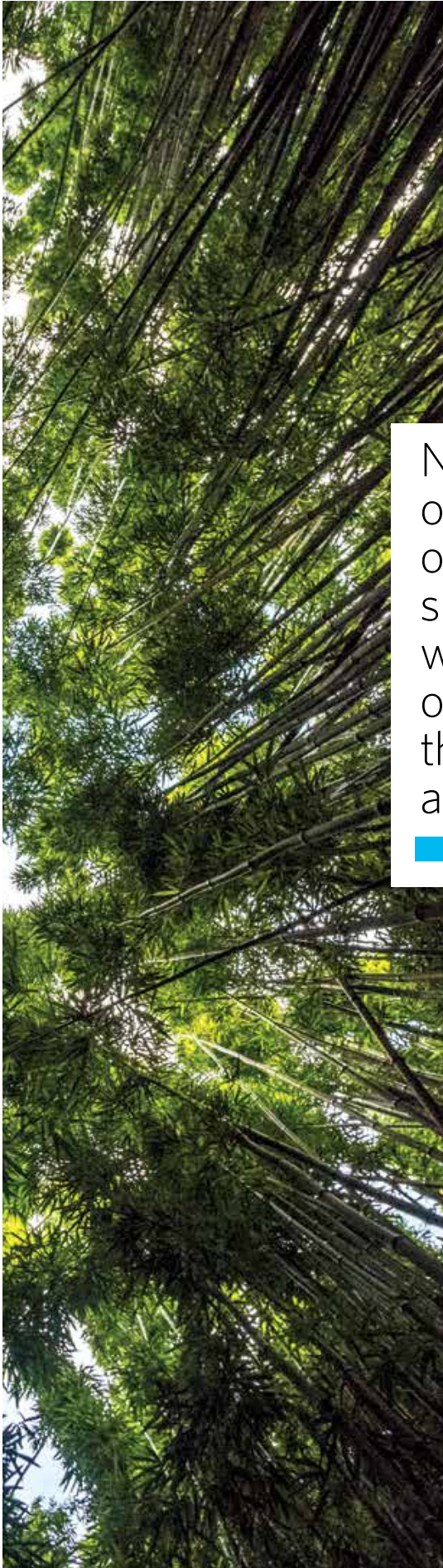
Identifying your organization's **purpose** is akin to breathing life into your company. **Purpose** is both aspirational and inspirational. The word "aspiration" stems from the Latin *aspīrāre*, to breath in or inhale, which connects to *pneuma*, the ancient Greek and Biblical word for both breath and spirit and soul. Breath is life. Across faith traditions, the act of inspiring someone is equated to breathing life into another by touching their soul, awakening their spirit.

Creating or designing a **purpose** is hard work. "Why?" is critical to wrestle with as you clarify your **purpose**. Why do customers turn to you? What emotions does your brand elicit? What motivates the company's leaders—to exist, to persevere, to expand? Why keep going and keep growing? Go back to the beginnings of the firm; why did our founders start the business? Look to the fourth horizon; in the future, why will we still exist and flourish? The *why* becomes a bigger guiding force than the *how*, *when* or *what* ever could. It is hard to do either unless you understand what moves you. The resulting **purpose** must move, touch and inspire people who are the enterprise to have any real potency.

Years ago, when Land Rover was spun off from British Leyland (The Rover Group), the newly appointed general manager saw the opportunity for a restart. He took on the mission to create a **purpose** for his company. He personally interviewed almost every employee as to why they worked at Land Rover and what Land Rover stands for. Patterns began to arise from the responses. Working from the responses and with a team of employees from every level and function, an aspirational and



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inspirational **purpose** was forged. The effort was a year and a half of work. The general manager said that it was the hardest work he had ever done.

Even having created **purposes** for their enterprises, executives still have a lot of work ahead of them to fully reap the benefits of those **purposes**. Some 90 percent of business leaders, surveyed by EY and Harvard Business School, understand the importance of corporate **purpose** but only 46 percent say that it informs their day-to-day operations. A **purpose** that does not inform everyday decision-making is just a plaque on the wall.

Most publicly traded companies are profit-driven, not **purpose-driven**—even those with **purpose statements**. (Please be clear that a **purpose statement** is not a **purpose**.) I would argue that businesses do not exist to make a profit; profit making and rising shareholder value is a measure that a **purpose** is relevant and important and is being fulfilled. The **purpose** of a business is to create value and serve customers—“to create a customer,” as Peter Drucker once wrote.



Far too many executives make their decisions on what will help them meet quarterly profit targets. And far too many lay out financial targets as vision and that the **purpose** of the business is driving shareholder value. The problem is that numbers inspire almost no one, save your CFO and a few other executives. Boosting shareholder value, for example, will not breathe life into legions of employees, all of whom have their own **purposes**, aspirations and ambitions.

People want to be part of something important. They want their lives to matter. Being part of a **purpose-driven** company—an enterprise that is up to something big, important and difference making—and knowing they contribute to fulfilling the **purpose** will both engage and inspire most of your employees.

I had the privilege of running a small company, Submersible Systems, a manufacturer of small, high-tech breathing devices. Our founder, Larry Williamson, had almost drowned in a diving incident. The company was founded to make sure that never happened again; our **purpose** was to end drowning. We made all decisions from that commitment. We took a stand that our product, Spare Air, was a critical piece of equipment for safe diving, in the face of opposition and threats from our industry. We brought to our factory and recognized Navy and Marine Corps airmen whose lives were saved by our product. We worked tirelessly to strip out cost from the product to make it available to more people. Our ad campaigns were all about saving lives. Every employee knew that her or his work was saving lives.

To engage and inspire the entire company, a leader must stand for the **purpose**: elevating the condition of people, solving problems, improving lives, making life better. Again, people want to be part of something great; they want to work for a greater good, serving the company's



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purposes inside of the context of serving their own **purposes**. That is why the highest-performing corporations build a **purpose** around people—both their employees and customers.

Ironically, companies that eschew explicitly profit-driven goals, more often than not, are the ones that end up the most profitable. This should not be news: Jim Collins and Jerry Porras found as much in their 1994 classic, *Built to Last*. The group of companies they examined, all of which were guided by a larger **purpose** beyond profit, returned six times more to shareholders than other companies between 1926 and 1990.

Horizon Creates Motion

When you have embraced **purpose** beyond the company's current product portfolio or service offerings, a funny thing happens: Growth feels natural because **purpose** and movement go hand in hand. When you look beyond the nuts and bolts of daily business operations and reaching short-term goals, you can imagine—and manifest—a larger enterprise.

Take, for instance, Chobani. The American yogurt maker first launched in 2007 to bring classic Greek yogurt to the masses, who were used to thinner, sweeter fare. The company now is a poster child of explosive success, with several different product lines under its

belt and a valuation hovering around \$4 billion. But Chobani's **purpose** is not limited to "make the best yogurt imaginable" or even "be the yogurt in every American's breakfast bowl." Instead, the company's **purpose** is to "provide better food for more people."

To that end, the company recently launched a food incubator program for small brands that align with its own **purpose**. In exchange for capital, mentors and oversight, Chobani is fostering an expansive network of the next generation of food upstarts. From shelf-stable bone broth to chickpea pasta, the resulting foods go beyond Chobani's own product line. But there is a similar ingredient—a shared **purpose**—that knits those elements and that expansion together.

Investors feel it. Inventors feel it. And employees feel it. That last impact cannot be overstated: Being part of and contributing to the success of **purpose-driven** companies make employees proud. If the company's **purpose** is in harmony with employees' own convictions, they can animate the workforce.

Sure, you could stand over someone's shoulder, setting one small goal after another in order to nudge them along a prescribed path, but it is far better to empower employees to soar on their own by pointing them toward the horizon. When **purpose** is alive and in motion, a company can quickly achieve unexpected results. **IQ**

