Once Upon a Company…

The following is a guest post by Denise Lee Yohn. Denise has more than 20 years of experience teaching world-class brands such as Sony, Frito-Lay, Burger King, and Nautica how to operationalize their brands to grow their businesses.

The garage. It’s the legendary place where two enterprising engineers Bill Hewlett and David Packard started the company that would become the multi-billion dollar enterprise HP. HP tells the story of “the garage” to customers because it conveys the foundation of inventiveness upon which the company’s products have been built through time.

Many other companies have embraced storytelling as a way of engaging their customers. Particularly now, with the demand for content and the need to differentiate greater than ever, business leaders have found that stories hold the unique power to forge emotional, long-lasting bonds between companies and customers.

But storytelling also can be a powerful internal tool, engaging, uniting, and aligning employees. HP can use the story of the garage to convey to employees the modesty and ingenuity that characterized the company in its early days in order to ensure that spirit continues to shape its culture today.

Founding stories are just one type of story that business leaders can use to galvanize their organizations. Important milestones in the company’s history or moments of crisis and victory can also form powerful stories. Letters from customers or posts in social media provide rich fodder — even negative ones that prompted a change can be instructive. And leaders can also pass on stories from other companies or from history to make a point.

The key is to use the narrative of a story to move people’s hearts and minds. Bullet point lists and corporate boilerplate statements serve their purposes, but storytelling does something else entirely. Robert McKee, the screenwriting professor, explains that stories “fulfill a profound human need to grasp the patterns of living — not merely as an intellectual exercise, but within a very personal, emotional experience.”

Business leaders can channel this extraordinary power of storytelling to:

- **Convey the company vision**
  
  Back in 1985 Steve Jobs used the story of when Alexander Graham Bell invented the telephone to describe the future he envisioned for Apple. He explained that if people had asked Bell, “What are you going to be able to do with a telephone?” he wouldn’t have been able to tell him the ways the telephone would affect the world… And we’re in the same situation today… That is what Macintosh is all about. It’s the first ‘telephone’ of our industry.” The story provided an effective analogy for employees that not only quelled their own doubts but also helped them address the skepticism they encountered from others.

- **Reinforce its values**
  
  Many companies may say they value “having fun,” but Southwest Airlines makes sure to spread a story that demonstrates commitment to fun from the very top of the organization: The airline was in a legal battle with another company regarding the rights to an advertising tagline. Then CEO Herb Kelleher and the CEO of the other company
decided to forego the hefty lawyers' fees they'd inevitably rake up and settle the matter by holding an arm wrestling match dubbed, "Malice In Dallas." The event was a virtual WWF wrestling match, complete with trash talking, cheating, and hoopla. Everyone had a lot of fun and in the end it was agreed that both companies could use the slogan. Southwest loves to tell that story to employees because it makes it clear the company's values aren't simply words on a plaque.

- **Set expectations**
  When a company is just starting out, it's easy for leaders to train and coach their people on how they expect them to do their jobs. But as companies grow, the increases in number of people and scope of work makes it difficult to convey clear expectations. Zappos CEO Tony Hsieh tells his "pizza story" as a way of elucidating what he considers to be "wow" service. He explains that he and some vendors returned to a hotel room late one night. Someone in the group was craving pizza but when they were told room service had ended, Hsieh suggested calling Zappos. Even though Zappos doesn't sell pizza, the customer service rep found a local pizza place that would deliver to the hotel. You can be sure Zappos employees think of that story as they make decisions about how they're going to serve customers.

Ben Horowitz, co-founder and general partner of the venture-capital firm Andreessen Horowitz, has said, "A company without a story is usually a company without a strategy." I would add: employees without a story are usually employees without a strategy, passion, and commitment.