

Make your purpose powerful

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November 10, 2020



A company's purpose is its why -- why it does what it does, why it exists. Having a compelling purpose is an effective way to engage and align everyone who works in and on your business.

Your purpose should:

- Be a single overarching statement that applies across stakeholders and functions
- Represent the underlying motivations and values of your organization
- Orient and guide everything your company does

Learn how to develop a powerful purpose in this new video.

To learn more from Denise Lee Yohn or to book her to speak to your organization, see her [website](#) and [YouTube channel](#).

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Transcript

Having a meaningful purpose or being a “purpose-driven” company has become popular in business these days. The pandemic has caused customers to examine if and how the businesses they buy from are really helping people and their communities. Employees want

to work for companies that have a strong sense of purpose beyond making money. You yourself might be rethinking if you are doing work that really matters.

To make sure your purpose has the power to address all these questions, be sure you use a single overarching purpose across stakeholders and functions. Your company might have a mission statement that outlines the scope of your business -- what you do, make or sell -- and sets a goal to achieve a certain financial target. For example, a typical mission statement might read, "To build shareholder value by being the leading services provider."

But if you're like most business leaders I talk with, your company probably also expresses a purpose or essence for your brand that describes what you want your brand to be known for. For example, you might want your brand to be known for empowering people.

When you use different statements like this, you cause confusion for people who work in and on your organization, especially when the ideas seem at odds. So be sure to articulate a single overarching purpose, one that addresses an aspiration that unifies, aligns and engages everyone. When I was at Sony, we said our purpose was "To create technologies that inspire people to dream and find joy." We meant that for our customers as well as employees, investors and partners.

Also make sure your purpose explains your why. A mission statement usually only says what you do. You need to articulate why you exist, what impact you want to have on the world, to sustain your company over time.

To arrive at a meaningful purpose, go deep. One of my favorite ways to help companies develop their purpose statements is the Five Whys exercise that Jim Collins and Jerry Porras introduced in their seminal book "Built to Last." Start with a descriptive statement of the company such as "We make X products" or "We deliver X services," and then ask, "Why is that important?" And keep asking "why" five times; each time digging deeper in to the underlying motivations and values of your organization. You'll probably end up with an understanding of the work you do that is far more significant and inspirational than you realize. And that vision can help guide your decisions about growth, spending, markets and partnerships, and more.

You can also use your purpose to motivate and align your employees, but you must connect the dots to their everyday work. People want to know that the work they do matters, even if it seems mundane or insignificant. So, make sure your employees know your purpose and how they contribute to fulfilling it.

The last way to give your purpose power is to operationalize it -- I mean, develop strategies that translate the idea into actions, including your product portfolio, capital allocation, customer experience and talent strategies. Weave your purpose into everything your

organization does and track your progress toward it by implementing performance indicators and reporting systems on it.

When you give it power, your purpose is a stake in the ground about who you are, what you stand for, and what you're all about.