

DISCOVERY GUIDE

FOR YOUR ORGANIZATION'S PURPOSE



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Are you ready to have a purpose that strengthens your people's sense of unity and commitment as a team? Are you ready to create in your people's hearts and minds a frame of reference, a set of criteria or guidelines, by which they will govern themselves?

With the following six steps, you can draft a purpose statement for your employees, customers, and suppliers that clearly reflects why you exist.

1. Understand the Criteria

A purpose statement is...

- Authentic. This is the key.
- A phrase of only a few words that is easy to remember.
- Broad, fundamental, and enduring. It should serve to guide and inspire the organization for years, perhaps a century or more, inspiring people to dream of doing great things.
- Never fully achieved or completed.
- Rock-solid and tightly fixed, which powerfully drives progress and enables the organization to change and adapt without compromising its purpose.
- Used to nurture and select senior management.
- Use to stir people to aspire to create something bigger and more lasting than themselves.
- Global. It can be exported regardless of which country the organization does business in.
- The corporate bonding glue where people's fundamental human need is met, which is to belong to something they can feel proud of.
- What makes people feel compelled to try to create greatness. It is something that you care so much about that you will want to make it the best it can possibly be, not because of what you will get but just because it can be done.

- A challenge for consistent alignment that gives guidance and inspiration to people inside the organization as they pursue strategies, tactics, goals and organizational structures.
- As much to guide you on what activities not to pursue as it is to direct you toward those to pursue.

A purpose statement is NOT...

- A description of how you are different from your competitors.
- Targeted to the financial community.
- Your product lines or customer segments.
- The "right" purpose statement. (There is no "right" purpose statement.)
- A description of how your organization fits the marketing trends and fashions of the day.
- A big program to induce radical change within the organization.

And most importantly, a purpose statement is *not*...

- Focused purely on shareholders' long-term wealth and profit maximization.



2. Determine Your Method

Are you a one-man or one-woman show discovering the purpose for your startup company? Or, do you lead a team? Each scenario requires a different approach.

If you are a single employee in your business, you would go through this exercise alone or with a close and trusted friend or spouse.

If you are part of an organization with a team of employees and you have not created a purpose statement, the most effective way to have your people buy into it is to conduct a group exercise where your people are significantly involved in the creating process.

WHEN THERE'S NO INVOLVEMENT, THERE IS NO COMMITMENT.

And when you have no commitment, you will have a severe motivational problem that cannot be easily solved.

Will you be doing this process along or with your team? Once you've answered that question, you can move on to number three.

3. Ask Focusing Questions

Determining your organization's purpose requires some deep thinking. And there is nothing that stimulates thinking more than good questions. The following questions are designed to help you dig deeper into the meaning of why you exist.

If you're the sole employee, you can answer these questions yourself or with a trusted partner; if you're leading a team, you can use these questions as the basis of your group exercise:

- Why does our organization exist?
- What motivates us to do the work that you do?
- What is the greatest possible impact we can make on the lives of others through our work?
- Why is this important?

To get the deepest answer, ask this last question a total of five times. This approach was made popular by the Toyota Motor Corporation to identify the root cause of a problem. It is a technique called "The Five Whys". For example, if someone asked you, "Why does your organization exist?" what would you say? After thinking about your answer, if asked, "Why is that important?" what would you say next?

If probed further and further, being asked again and again, "Why is that important?" what layers of purpose and meaning reveal themselves?

4. Aim for a Bull's-Eye Single Word

Now use the opposite approach, and ask yourself (or your people), "What single word is the bull's-eye of the bull's-eye, the focus of the focus, the center of the center, the very essence of our organization? Even though this word is not your purpose statement, it is the essence, the single-word focus.

Simplicity produces clarity. Through the process of elimination to find that single-word may take several attempts, that single word will turn everything you do into meaningful work – organizational meetings, projects and employee, customer and supplier relationships.

5. Prepare One Simple Phrase

The next step is to ask, “Instead of having one word, what three words would you use to focus your energies on?” Now write a simple, nontechnical three-word phrase that everyone can clearly understand that becomes your purpose statement.

Refine your *purpose* statement so when someone asks you what your organization is about, you can simply say, “The reason we exist is to....”

6. Validate Your Work

Once you have discovered your organization’s purpose, ask each individual involved in the process to independently answer the following questions with yes or no. These questions were compiled by best-selling author Jim Collins:

1. Do you find this purpose personally inspiring?
2. Can you envision this purpose being as valid 100 years from now as it is today?
3. Does the purpose help you think expansively about the long-term possibilities and range of activities the organization can consider over the next 100 years, beyond its current products, services, markets, industries, and strategies?
4. Does the purpose help you to decide what activities to not pursue, to eliminate from consideration?
5. Is this purpose authentic – something true to what the organization is all about – not merely words on paper that “sound nice”?

6. Would this purpose be greeted with enthusiasm rather than cynicism by a broad base of people in the organization?
7. When telling your children and/or other loved ones what you do for a living, would you feel proud in describing your work in terms of this purpose?

If most of your people (at least 80 to 90 percent) answer yes to all of the questions above, then you can confidently move forward with your new purpose statement. If not, then you need to keep working through the process until you have widespread alignment around these questions.

Defining the purpose of your organization is hard work, but the results are worth it!

Average companies give their people something to work on. In contrast, the most innovative organizations give their people something to work toward.

– Simon Sinek

