

CHAPTER ONE

PURPOSE AND MEANING



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Last century we in the world of business lost sight of higher meaning, of purpose beyond simply profits. People – many of us – went to work every day without a sense of a more meaningful contribution beyond the monthly pay packet, the sense of responsibility, slaving away working for the man, for anonymous, financially-driven shareholders, in businesses large and small. The trudge, the wear and tear of everyday business and the bad behaviour of many corporations turned business into a dirty word.

So what do we do now?

This is the opportunity we have before us: to guide our organizations, our teams, our projects towards higher meaning. To be part of the movement that demands a greater contribution from business than just profits. To discover and share real purpose.

A PURPOSE OF SIGNIFICANCE

An organization designed to thrive in this radically different century before us has a very clear purpose, which creates meaning way beyond financial results. A purpose that solves big, meaningful challenges and opportunities in society. Something that really makes sense. This is a Purpose of Significance.



WHY DOES A PURPOSE OF SIGNIFICANCE MATTER?

The simple truth is that, today, the accepted wisdom is that the purpose of a business is to increase shareholder value. Purely and simply. This is what is ingrained in business schools and boardrooms, in the minds of so many of us – it is very hard for any of us to stray from this path.

And, as Peter Drucker said, 'What's measured improves' and, in business, this is what has been measured and has 'improved': the purpose of business has narrowly and determinedly fixed on growing the wealth of its shareholders. Significant to a few, but not to the wider world. Some improvement.

Increasingly, we're realizing that this destination isn't such a pretty place. As the inspiring economist, Umair Haque, tweeted: 'Making shareholder enrichment the basis of an economy is probably an idea that belongs up there with Cheez Whiz and Donald Trump's hair'.

Zooming out, when we look at the macro picture, it is clear to all of us in the Western developed world that we are in an even worse hole. The collective efforts of a whole global economic model based on output, and measured in dollars, euros and pounds, has left the most developed nations with thriving but horribly volatile businesses and a society that is fat, debt-ridden and unhappy. (By the way, these are challenges of real significance; and huge positive business opportunities, if addressed in the right way with the right intentions.)



POLITICIANS AND NORMAL PEOPLE TOO

When politicians, such as former French President Sarkozy and British Prime Minister Cameron, start to look seriously at how to include measurements of happiness in policy, we business people should pay attention. This is a massive change in purpose, an attempt to reinject significance and meaning; and, what's more, led by government who we are used to haranguing for being out of date and late to the party. Wake up, progressive business people!

People are changing too. Whether you call them customers, consumers or citizens, attitudes are shifting. Expectations are changing – think about what you expect from a business, what you demand, and what is actually delivered. What would be amazing?

People like you, whose basic needs have been well met, are increasingly seeking out experiences, services and products with a narrative that is authentic and sustainable; stuff which has provenance. You want great service. You want the basics, done excellently. You want a personal interface to the organization – an ability to get a handle on it when you need to. And, increasingly, you demand a higher-order contribution beyond all of that. See the growth in sales of organic food, the rise of the micro-brewery, the niche bicycle design company, the resistance towards powerful supermarkets in small towns and villages, the Buy Local movement, the gastro pub, the return of the handmade. This is not to say that small is the only way, but it is a



powerful clue as to how attitudes and expectations are changing.

In this ultra-competitive business landscape, our organizations desperately need a higher purpose. A story of meaning. A mission that inspires. A cause to get behind and a movement to belong to.

WHY WILL A PURPOSE OF SIGNIFICANCE MAKE A DIFFERENCE?

So what's the prize? What's the impetus that we can use to cajole others? Why should our colleagues pay attention to creating purpose?

In practical terms a clear purpose helps in the following ways:

- Attracting and then retaining the very best talent in your workforce (see Chapter Three, Progressive People).
- Unlocking the highest levels of engagement (also in Chapter Three).
- Acquiring and retaining customers in an environment of ruthless competition and the ever-present threat of commoditization.
- Providing both a compass and a motivation for innovation.
- Gaining competitive advantage from very diverse (and often otherwise disruptive) stakeholders by framing the organization in a context that truly matters and contributes to society.



WHAT DOES A PURPOSE OF SIGNIFICANCE LOOK LIKE?

The idea that Purpose really makes a difference in business is not new. In their excellent work, which led to *Built to Last* and *Good to Great* (a personal favourite), Jim Collins and Jerry Porras established the idea that visionary companies have a Big Hairy Audacious Goal, a 'BHAG' at their core. 'A true BHAG is clear and compelling, serves as a unifying focal point of effort, and acts as a clear catalyst for team spirit.' So the notion of having a big purpose is well-established. It is not new or radical.

Indeed, most CEOs and entrepreneurs know that it is their responsibility to ensure that there is a clear and compelling vision and mission for the organization. Most internal comms teams and brand people have worked good and hard at 'cascading' the big message, and plastered the accompanying values across the headquarter's reception area and on meeting room walls.

So, what is different with this movement of 21st century businesses? How does this differ from the good ol' purpose we used to know and trust in the last century? Today, it is the Significance bit.

We can put a man on the moon, we can invent better mousetraps and sell a bajillion plastic bottles of mineral water. To be 'compelling' in today's world, we must work towards the urgent, the difficult, the pressing problems of our time.

The enlightened shareholders, employees, partners and consumers of the 21st century demand a Purpose of Significance.



A PURPOSE OF SIGNIFICANCE: THE CHECKLIST

Here is how to think about how to design a purpose that fits your organization:

- Does our Purpose address a fundamental problem that is caused or exacerbated by this business industry?
- Does our Purpose lead to decisions which can suppress or limit short-term financial gains for longer-term achievements?
- Does our Purpose inspire a community to develop?
- Does our Purpose address a fundamental injustice in the world?
- Does our Purpose disrupt and positively revolutionize a whole marketplace?
- Does our Purpose fundamentally make the world a better place?

This is our job. This is how to make business better. This is how business can help to solve the big problems of our time.

WHO IS LEADING THE WAY?

Let's look at some examples of pioneering businesses to get under the skin of what is really possible here.

PATAGONIA, CALIFORNIA, USA

Patagonia, the manufacturer of outdoor equipment with a particular heritage in climbing, is a wonderful business.



You may have read *Let My People Go Surfing* by Patagonia founder Yvon Chouinard (if you haven't, do!). The company has a long track record in zigging when other businesses zag, and having a conscience that goes beyond box ticking. Back in 1985, Patagonia was one of the two original creators of the '1% for the Planet' initiative, a global movement of over a thousand companies that donates 1% of sales to a network of environmental organizations worldwide.

In its most recent and perhaps most inspiring and jaw-dropping move, the company has formed an alliance with eBay to actively promote and encourage existing owners of Patagonia equipment and apparel to sell their stuff in a branded shop within eBay called the Common Threads Initiative. It is actively encouraging potential customers to buy second-hand Patagonia goods. And not just inside eBay: items listed for sale in the Common Threads Initiative are also promoted on the 'Used Clothing & Gear' section on Patagonia.com. In conventional thinking, this is plain STUPID! This will, you'd think, negatively impact short-term profits, limit growth, generally not be a good thing to do.

Businesses in the 20th century went out of their way to encourage as many new sales as possible. But, driven by a higher purpose and with a clear sense of itself and what it stands for, Patagonia intends to address tangibly the issues of global sustainability. This not only focuses on one of the greatest challenges our society faces, but also leads from the front: I recently met with one of Patagonia's biggest competitors and he told me, smiling with admira-



tion, that this move ‘changes the game, changes everything’. Brilliant!

This is truly a Purpose of Significance in action. As Chounaird is quoted in a *BusinessWeek* article from 2006: ‘Every time we do the right thing, our profits go up’. Smart business; 21st century business.

Paragonia in 2005: \$260m revenues; 1,250 employees.

NOMA AND THE NEW NORDIC CUISINE, COPENHAGEN, DENMARK

Have you heard of Noma? If you’re a foodie the answer is, of course, yes. Noma was ranked as best restaurant in the world by *Restaurant* magazine in 2010 and 2011. Noma isn’t in New York City, Tuscany, the hills of Catalunya, Paris, London or Tokyo. Noma – famous for dishes and flavours that celebrate the very best of Nordic/Scandinavian produce – is in Copenhagen, the gorgeous capital of Denmark. When you start to look into the story behind Noma there’s a fabulous and inspiring account of how purpose and meaning can fuel incredible achievement, and simultaneously create and empower a whole generation of like-minded changers.

As Claus Meyer, co-owner of Noma, describes on his website: ‘Less than 10 months after the opening of our restaurant “noma” November 2003, head chef, manager & partner Rene Redzepi and I took the initiative to organize “The Nordic Cuisine Symposium”. The day before the



symposium in September 2004, at an 18 hour long workshop, some of the greatest chefs in our region formulated the New Nordic Kitchen Manifesto. The Nordic Cuisine Movement was born!

This manifesto is a fantastic example of a group of individuals transcending their own self-interests to put down a marker and describe a Purpose of Significance that inspired and enabled a whole movement. Here's that manifesto in full:

Manifesto for the New Nordic Kitchen

As Nordic chefs we find that the time has now come for us to create a New Nordic Kitchen, which in virtue of its good taste and special character compares favourable with the standard of the greatest kitchens of the world.

The aims of New Nordic Cuisine are:

- 1 To express the purity, freshness, simplicity and ethics we wish to associate with our region.
- 2 To reflect the changing of the seasons in the meals we make.
- 3 To base our cooking on ingredients and produce whose characteristics are particularly excellent in our climates, landscapes and waters.
- 4 To combine the demand for good taste with modern knowledge of health and well-being.



- 5 To promote Nordic products and the variety of Nordic producers – and to spread the word about their underlying cultures.
- 6 To promote animal welfare and a sound production process in our seas, on our farmland and in the wild.
- 7 To develop potentially new applications of traditional Nordic food products.
- 8 To combine the best in Nordic cookery and culinary traditions with impulses from abroad.
- 9 To combine local self-sufficiency with regional sharing of high-quality products.
- 10 To join forces with consumer representatives, other cooking craftsmen, agriculture, the fishing, food, retail and wholesale industries, researchers, teachers, politicians and authorities on this project for the benefit and advantage of everyone in the Nordic countries.

As you can see for yourself, the manifesto is very simple, but the creation and application of that manifesto, the meaning and energy created from it, has inspired a whole movement. The Nordic Cuisine Movement that Meyer describes goes much further than fancy restaurants for the few. In 2005, the manifesto was adopted by the Nordic Council of Ministers and their extended national development programmes. You can find articles about The New



Nordic Cuisine on Denmark.dk the official website of Denmark, and Meyer himself participates in a long-term food programme with the Danish government and universities to improve food health including around childhood obesity.

In doing so, Noma created and placed itself in a context of higher meaning. A backdrop that could engage and impassion every would-be employee, every diner, every producer and supplier.

Would this have been possible if it was simply one person's drive for greatness? If it was the same old story about a celebrity TV-friendly chef on their way to millionaire-dom? Ask a Dane what the New Nordic Cuisine has done, and they will tell you: helped to restore pride in our national identity; changed our expectations and habits around eating and food; promoted Denmark to the world. This is what can be done with the power of Purpose of Significance – change that affects millions, for the good.

Noma: two Michelin stars; Best Restaurant in the World, 2010 and 2011, *Restaurant* magazine.

ANONYMOUS, THE INTERNET, EVERYWHERE

Anonymous is an interesting organization. For starters, I'm not sure how we can define or understand it as an organization, and certainly not as a business. Anonymous is usually referred to as 'a loose collective of hackers and activists' or similar. Anonymous is very much of the zeitgeist – at the



heart of recent activism (that includes the Occupy movement): digitally networked; apparently decentralized; powerfully branded; and, perhaps most fascinating and relevant here, motivated by a very strong sense of values and justice. In this very changed world, we need to look at the edges and the radicals to understand how all of our organizations are going to have to change.

At the time of writing, Anonymous may have:

- Hacked the Sony Playstation Network, creating huge reputational damage and heavily impacting the share price of Sony.
- Hacked the Iranian government.
- Threatened a Mexican drug cartel.
- Threatened NATO.
- Taken down 40 child porn websites and published the names of 1,500 frequent visitors to one of the largest of these.

It would be easy, thinking with a conventional mindset, to write off Anonymous. What would the old-school business person say? 'Kids, hackers, mindless vandals, people with nothing better to do – lock 'em up!' I think that's missing the point. Anonymous is creating enormously powerful results and, at its core, there is this sense of purpose – as they say themselves: 'We are fighters for internet freedom.'

If we pay attention there is much that conventional business can learn from this unpaid, volunteer network of



loosely connected activists. What Anonymous provides the 21st century business person with, is an unexpected and powerful example of the real-world results that can be created when people unite behind a shared Purpose of Significance. And Anonymous achieves all of this in a world where there are record numbers of young people unemployed, where technology is increasingly pervasive and disrupting of the status quo and, as Bill Rhodes, the famous banker puts it, 'new technologies mean that markets move in nano seconds.'

Specifically, how does Anonymous communicate its purpose, its intentions and values? How did Anonymous create these in the first place, or do they just emerge and develop over time? What is it that Anonymous does that allows it to transmit its purpose so clearly to the world with so few conventional resources at its disposal? And, perhaps, what would our organization look like if it were more Anonymous-like?

Anonymous statistics: unknown!

GOOGLE, CALIFORNIA, USA

What about a big business example, a marquee brand? How about Google – a business led by a set of core principles, a business that refuses to provide short-term guidance to Wall Street and, instead, in their own words: 'Rather than thinking about ways in which we can create short-lived economic gains each quarter, we focus on serving our users and delivering the most relevant informa-



tion as fast as we can.' This is a strategy that has now led the business to play across internet search, online advertising, mobile, book publishing, communications . . . the list goes on and on.

There is, and always has been, a higher purpose to Google's work and for me it is captured in their mantra: 'Organize the world's information and make it universally accessible and useful'. When you look at pretty much everything the company does, that purpose is apparent, is visible and is gluing the whole empire together.

If I am an engineer at Google, I can get excited about unlocking information that isn't yet accessible to those that would benefit from it. If I am a marketer at Google, I can draw on huge and 'free' goodwill in society because the products and services that I need – to address fundamental problems and provide their users with vast value – are there (and often, at no cost because someone else is paying – usually an advertiser). If I am a senior manager, I can excite my people with their contribution to something that goes beyond just earning the next month's pay packet. There is meaning in 'Organizing the world's information', and it is simple enough and clear enough that it can be applied in a whole range of different scenarios, markets and user needs.

What is it about Google's purpose that is significant in the context of this book? First and foremost, Google has made the world better for us all in providing a search engine that connects us to the information we wish to find. This alone is a huge and immeasurable contribution to the world. Google has also disrupted and revolutionized online



advertising by developing not only a results-focused model, but also one that rewards merit and always seeks to provide the best result to the user, the searcher. You cannot – in conventional terms – pay Google to get to the top of Google's results (there's a separate industry for that!). It has also democratized online advertising by providing an advertising platform and 'back-end' that from early on allowed 'mom and pop' businesses to quickly and easily promote their business in listings and – with smart, well executed strategies – compete and jostle with the big boys and girls in a given market. And, finally, as described above, Google has provided a role model by showing that a business can generate substantial financial results without bending to the specific and short-term demands of Wall Street.

Google: \$37.9bn revenue and \$9.7bn profits in 2011 (unaudited); 32,000 employees.

APPLE, CALIFORNIA, USA

You won't be surprised to see Apple and Steve Jobs mentioned here (indeed, there should be some kind of charitable foundation to which every consultant, speaker, writer and manager must donate when citing Apple as an example of anything remotely good, the company has become such a commonly used case study!). Nevertheless, as Ben Heineman wrote on the *Harvard Business Review* blog network, Jobs didn't run Apple for the gain of shareholders first and foremost: 'in my view, there can also be no question



that Jobs was not focused on shareholders or taking short-cuts or short-term actions to maximize shareholder value. Apple has paid no dividends since 1995. It hasn't used leverage. It holds \$76 billion in cash with nary a thought of a buy-back. It is hard to argue that fundamental business decisions were driven by stock options (although there is the issue of options back-dating in the debit column).⁹ And yet at the time of writing Apple is swapping positions with Exxon from day to day as the publicly traded company with the largest market capitalization in the world.

What Apple did was create incredible shareholder value as a byproduct of a different and higher purpose – to delight customers, to innovate its way to success – to put, in Jobs' words, a 'ding in the universe.'

You'd think this was obvious and more widely accepted, but it is still considered newsworthy for senior management of global businesses to put such a view forward. As Joe Garner, the Deputy Chief Executive of HSBC UK, recently put it, 'I believe that increasing customer satisfaction will increase profitability'. He's right in my opinion and I applaud him for saying so. But this is news?

And in the new guard we are and will continue to see a massive growth in the number and impact of entrepreneurs that act with broader purpose. As Danna Greenberg, Kate McKone-Sweet, H. James Wilson describe in their book *The New Entrepreneurial Leader: Developing Leaders Who Shape Social and Economic Opportunity*: 'by considering the purpose in both societal and business terms, entrepreneurial leaders scrutinize the common assumption that



maximizing shareholder wealth will maximize value for the society at large over time.'

Apple: \$108 bn revenue and \$26 bn profits in 2011;
60,400 employees.

GRAMEEN, DHAKA, BANGLADESH

Grameen Bank lends to millions in poverty – mainly women. Grameen Phone is the largest mobile phone provider in Bangladesh with more than 32 million subscribers at the time of writing. Grameen Danone is a joint venture social enterprise providing nutritious yoghurt to children in rural Bangladesh. These are just three of the many Grameen endeavours.

Grameen, right from its start, has been an organization that creates businesses with real purpose, grounded in the gritty realities of the developing world, and creates meaning and results that transform the lives of the people they touch. An unstoppable force. Specifically, Grameen businesses seek to address the following problems in society:

- Women not having access to or control of finance.
- Communities not being resilient and self-sufficient.
- Communities not having access to healthy nutrition.

The brilliant founder of Grameen, and Noble prize winner, Muhammad Yunus, has shown the whole world what is possible when business-minded organizations apply themselves to messy, gritty problems in the developing world.



Grameen Bank: \$1.5 bn total assets in 2010; 22,149 employees in 2011.

HOW CAN YOU LOCATE A PURPOSE OF SIGNIFICANCE?

Let's get practical. Put simply, there are three steps in the journey towards uniting a group of people in an organization behind a shared purpose:

- 1 Finding it
- 2 Framing it
- 3 Living it.

1 FINDING IT

Clearly the first step is to find and agree on a purpose that makes sense to the organization and its competencies and can excite and inspire its people. There are two obvious routes to locating a Purpose of Significance:

- from the individual – commonly a leader's personal passion or perspective, and
- from the group – through a collective effort.

In the individual mode, inspiring characters like Muhammad Yunus of Grameen or Yvon Chouinard of Patagonia stumble upon, or are already driven by, a cause or personal mission. We all have passions burning inside us. Locating our own can feel impossible, it can seem so foggy



and far from beliefs about what work is and should be. But the happiest and most successful people are generally doing something they love – they love their work *and* they get paid to do it.

Discovering your personal passion and purpose can be as simple as reflecting on what it is you really enjoy, what it is you want to give, what gets you riled, furious, hysterical and arm-waving, laughing out loud. It's about locating those embers that are already burning.

COACHING

The coaching world is very good at this, and there are some great 'visioning' exercises that an experienced coach can take you through. In fact, helping someone find their higher purpose is what gets most coaches excited and passionate. The process is enjoyable, relaxed, enlightening and the results can be life-changing. I myself have worked with the Coaches Training Institute (CTI) and found the quality of their coaches (and their coach training) to be excellent.

- *What's Your Purpose?* (Richard Jacobs): This brilliantly designed work takes you through seven questions to 'Find Your Answer'. I discovered that the audio book was an excellent way of consuming the content and working through the simple, enjoyable exercises. I can still remember how, through the course of a one hour train journey from Brighton to London in the middle of a frazzled busy working day, I sketched out some



profoundly useful descriptions of what I wanted to do in the world. Highly recommended.

- *Leadership: Plain and Simple* (Steve Radcliffe): In this excellent and very easy to read book on leadership, Steve Radcliffe walks you through a very practical approach to locating your own passions and then bringing others on the journey through his Future, Engage, Deliver model. As with *What's Your Purpose?*, there are a really tight set of wonderfully simple, open questions to get you clear, but matched also with practical approaches to getting a wider team performing too.

IN GROUPS

In larger groups, the challenge to find a uniting purpose can feel much harder, but the result is obviously that much more powerful when it engages a whole group – be that a team, a small business, a division or an entire corporation.

My feeling is that, again, the purpose is lingering in the background, waiting to be dusted off and shared around. However hard or poor things have been, teams and organizations are often drawn together by implicit values and a purpose that may be shared but is often buried.

One method for locating a Purpose of Significance here is to run workshop groups of 8 to 15 people in a reasonably quiet and 'safe' space away from normal desks and interruptions and to ask some of the same questions covered in the two books mentioned above, but in a group setting.

In my team, working for our clients (or, equally to develop our own company), we often use white walls and



Post-It notes, or stick index cards up so that everyone can see them, providing prompts like:

- What do we care about?
- Why do we do the work we do?
- What really matters?
- What is the purpose of our organization?
- What do we want for the future of this group/team?
- What can we give that really matters to the world?

You can use the initial surge of answers as the start of a collective discussion about what the shared purpose will be.

For more on doing this at scale, particularly if you are working in a very large organization, there is some excellent information available about the transformation of the American kidney care company DaVita in the Further Reading section at the end of this chapter.

2 FRAMING IT

Having identified a purpose, the vital key over the course of this century is clearly linking this purpose to a matter of significance in the world. For example, whilst working in Denmark, I was told the story of a Danish company called Grundfos – a company with a long history of manufacturing excellent pumps for a variety of purposes, producing some 16 million pump units a year. My friend told me that what Grundfos had done in recent times, to help lift and guide the whole business, was to reframe its matter-of-fact production of pumps in the context of a world where to



have access to clean drinking water is still a huge challenge for millions of people in the developing world, and where sustainability is becoming acutely important.

Today Grundfos frames what it does in this context: 'Grundfos is a global leader in advanced pump solutions and a trendsetter in water technology. We contribute to global sustainability by pioneering technologies that improve quality of life for people and care for the planet.'

So, the opportunity here is to link what your company does with something that really, really matters in the 21st century.

Find answers to questions like these:

- How does your Purpose link to really significant, worthwhile issues, challenges and needs in the world?
- How clear and alive are those issues in the minds of your people?

3 LIVING IT

Living the Purpose of Significance is the fun bit. It's the bit that, having clarified it, will get easier and more exciting with every day that passes.

It challenges you and those around you to find the link between the work and the purpose.

Living it also means sharing it. This generation of radical businesses is happy to champion and evangelize the issues that they stand for. They share knowledge freely, from seminars to articles and speeches – spreading and championing their cause.



- What can your organization do to champion these significant issues that need fixing in the world?
- How can you share your organization's Purpose of Significance with others?
- Can you create something like the Nordic Cuisine Movement or the 1% for the Planet initiative?
- Who should your organization be collaborating with to see this through?

SUMMARY

This chapter comes first for a reason: it is where everything starts. Engaging with a Purpose of Significance transcends and influences everything else that follows. It is the key to kingdom, the guiding star, the secret sauce! Without a clear, personal and organizational purpose that really matters – a Purpose of Significance – everything else is window dressing and 'nice to have'.

And although it may feel overwhelming and impossible to change, it really is not. Go for it, start soon. You'll amaze yourself and the people around you.

In this chapter on purpose and meaning we have explored the 'why' of your organization. In the next critical chapter, 'Democracy and Empowerment', we look at a core aspect of the 'how' of your organization: Is it just another business, but with a much more meaningful purpose now? Does it act like the millions of everyday organizations in its practices and decision making, or is it also progressive and exciting in the way it gets work done?



FURTHER READING

- Watch Claus Meyer's talk at Rebuild 21 here – <http://bit.ly/cltrshk1> (28 passionate, interesting and amusing minutes)
- DaVita case studies from *Harvard Business Review* (small fee payable):
 - <http://KentThiry.com>, Mayor of DaVita (bit.ly/cltrshk2)
 - <http://KentThiry.com>; Leadership challenges in building and growing a great company (bit.ly/cltrshk3)

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