



★ LEADERSHIP

THE POWER OF PURPOSE

by Nick Hughes

Do you know the purpose of your business? Do you clearly understand why you started your business? Have you communicated this purpose to all those who work with you? Have you documented the purpose? If the answer to any of these is 'no' then you are probably finding it difficult to stay on course as you are bombarded by the day-to-day surprises lurking in your future. The solution lies in the Power of Purpose, which states that when a business owner clearly knows and deeply believes in the purpose of her business she will achieve great success because she has a strong beacon to guide every action and decision.

The Power of Purpose packs a punch when you take all of the reasons for your business and distil them into a precise, meaningful statement telling us what the company does, who it serves, and what sets it apart from the competition. We call this the Purpose Statement. Some examples:

“Otis Elevator: To provide any customer a means of moving people and things up, down, and sideways over short distances with higher reliability than any similar enterprise in the world.”

“Nike: To bring inspiration and innovation to every athlete in the world.”

“Amazon.com: To be the world’s most customer-centric company, where customers can find and discover anything they may want to buy online at a great price.”

Your first step to create a Purpose Statement is to go through a process of analysis by answering the following questions:

- *Why did you start this business?*
- *What is your market place?*
- *Who are your customers?*
- *What is your group of customers?*
- *What is so special about you as individuals that adds value to your business?*
- *What is so special about your business and your products?*
- *How are you different from your competition?*
- *How do you and/or your products add value to your customers’ businesses?*
- *What is your vision?*
- *What image do you want to portray?*

Turn these same questions into “nots” (for example, what is *not* your market place) and answer them in the same way in order to identify boundaries to your Purpose Statement.

To write a Purpose Statement that is precise, succinct, and comprehensible is very difficult. But the Power of Purpose will make it worthwhile. So take your time and put in the effort because the results will be very beneficial. Do not concern yourself with writing eloquent prose that brilliantly cap-

tures the very core of your purpose; that will come later. We are much more concerned with content.

Go back through all the notes you have been keeping and highlight key words and key phrases. Copy the highlighted parts to another document. Stare at them and think! Can you see a pattern emerging? Discuss them. Take a first stab at turning them into a statement. Rewrite it, rewrite it, and rewrite it until you are sure it is done. Live with it for a while. Show it to others and take heed of their advice.

As you work through this extremely important facet of business management, keep the following points in mind. These are the secrets of a good Purpose Statement.

It is concise. This makes it easy to remember and opens up opportunities like printing it on the back of your business cards.

It is understandable. A Purpose Statement must not be flush with incomprehensible techno gobble and/or business jargon. You want people to understand it!

It is known. Communicate your Purpose to the world! Or at least to your employees, customers, suppliers, bankers, accountants and anyone else you do business with.

It is the focus. Whenever you think of making changes to your company, the Purpose Statement becomes the focus of the decision. Does this change fit your Purpose? If it does not, should we be changing the Purpose (major impact) or reassessing the proposed change?

It is memorable. You can never forget your company’s Purpose Statement whether it is because you have it hanging on your office wall or because you have repeated it so many times it is embedded in your brain.

It is the centre of the universe. When developing your strategic plans the Purpose Statement is the centre of the universe around which everything else spins. The Purpose comes first; the plans follow.

It is general in scope. At first this seems a contradiction; a clear concise statement being general in scope! What this means is you do not want to be so specific that you are constantly changing your Purpose or unnecessarily restricting your market. For example, “Our purpose is to provide the home furnishing retailers of Toronto with the finest ...” should probably be restated “to provide home furnishing retailers with the finest ...” so that you don’t restrict your market.

Your Purpose is *not* about making money. For example, it must not contain statements about profit targets or sales volumes to be achieved. These sorts of statements belong in the Long Term Objectives because they are a fundamental condition of operating your company from one year to the next. They would also make your Purpose Statement much too specific requiring you to change it on a regular basis.

If you find yourself jumping from one business opportunity to another, if you are constantly adding products without thought to the right product mix, if you are on an endless treadmill of crisis after crisis, then you are probably in need of the Power of Purpose. **E**

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