

finding why

*Why rising tides of
enterprises pursue purpose*

by Mike Freedman



If you want to build a ship, don't drum up people together to collect wood and don't assign them tasks and work, but rather teach them to long for the endless immensity of the sea. Antoine de Saint-Exupery

"When your son asks, in 18, 20 or so years time - what are you most proud of in your career - what would you like to tell him?"

Pieter runs a successful listed company. He is about to celebrate his son's first birthday.

He thought for a little. "will you say it's the rising share price?" He didn't take long to say no. That's important & a vital sign of success in the business world, but he wants to tell his son something more.

"I want to tell my son I've made a difference, a positive difference, in people's lives".

Beyond our daily challenges & triumphs we all long for the endless immensity of the sea.



ripples & dings

*I just want to make a ding in the universe. **Steve Jobs**
The fact that you can only do a little is no excuse for doing
nothing. **John le Carre, "A Most Wanted Man"***

While very few make Apple-sized dings, we all make ripples in the flow, shaping the future in smaller & larger ways.

When we find meaning in the work we do, we will almost certainly do it better. Shared purpose binds us together more powerfully, more authentically, more sustainably than speeches, punishments & rewards.

Purpose, truly lived, cascades through culture & manifests in a vibrant brand. An enterprise animated by meaning becomes a regenerative place to work. The ripples, flowing together, make a river.



profit & purpose

Happiness of man is built on mental stability and material affluence. To serve the foundation of happiness, through making man's life affluent is the duty of the manufacturer.

Profit comes in compensation for contribution to society. Profit is a yardstick with which to measure the degree of social contribution made by an enterprise.

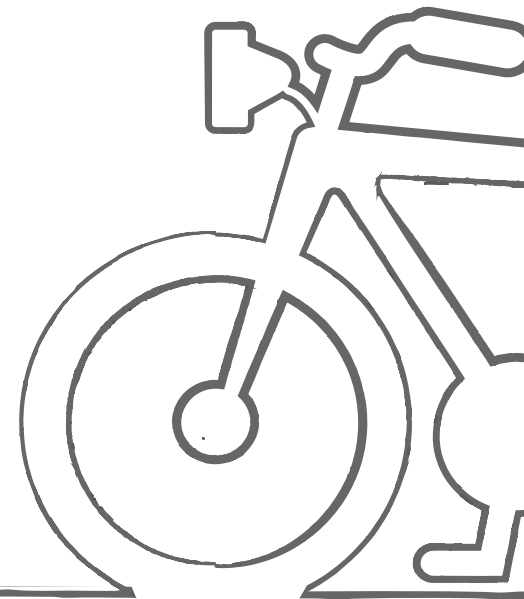
*If the enterprise tries to earn a reasonable profit but fails to do so, the reason is because the degree of its social contribution is still insufficient. **Konosuke Matsushita***

Konosuke Matsushita's first job was in a bicycle shop. At that time in Japan, when you rode a bicycle at night, you used a candle or a battery powered light that was soon exhausted. Fatalities were common. Matsushita designed a bicycle light that would last up to forty hours. Wholesalers were sceptical & refused to stock it. Matsushita sent samples directly to bicycle-shop owners, asking them to test the lamp. They did, orders flowed & wholesalers

clambered back on board. The twin empires of JVC & Panasonic were born.

Give ordinary folk the chance to buy the same thing as rich people
Sam Walton, Walmart

Purpose turns to profit in more ways than one.



purpose to purpose

Organisations can keep searching for new ties that bind us to them – new incentives, rewards, punishments. But organisations could accomplish so much more if they relied on the passion evoked when we connect to others, purpose to purpose.

So many of us want to be more. So many of us hunger to discover who we might become together. Margaret Wheatley & Myron Kellner-Rogers: 'A Simpler Way'

Company comes from the Latin, cum pane – breaking bread together. Yet so many companies operate through divisions. A shared purpose aligns the inside. Culture & strategy dance together.

Every organisation is an identity in motion, moving through the world, trying to make a difference 'A Simpler Way'



the song of me, us, all

A sense of purpose resonates through three levels of being.

1. the me level

Can I become the best I can be, here? Can I unfold my wings? Will I be rewarded fairly & recognised for my accomplishments? Whether I am a call centre trainee, or a CEO, I do not set out to fail. I want to be good at what I do - & find satisfaction in doing something as well as I can.

2. the us level

As good as I am, I will be better being part of a good team. A team that works together closely, with members complementing & trusting each-other. An us who I respect & in turn respect me.

3. the all level

Our enterprise is a badge we want to be proud to wear, because it stands for something powerful, something good. It has a purpose that inspires me, & shared by us for the benefit of all.

**When me, us, all are in harmony, the music delights.
If one is out of tune, the performance is marred.**

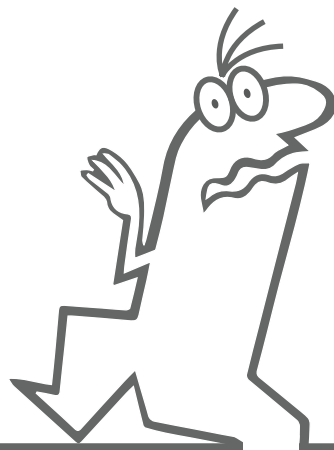


driverless cars & beach-runs

When Google decided to organize the world's information and make it universally accessible and useful the 'what' was a search engine, not "...& driverless cars". Yet the pursuit of purpose constantly makes employees seek new horizons.

My son shows me the visualised data of his beach-runs on the Nike+ Running App. A far cry from running shoes, yet an expression of the Nike purpose - to bring inspiration & innovation to every athlete in the world.

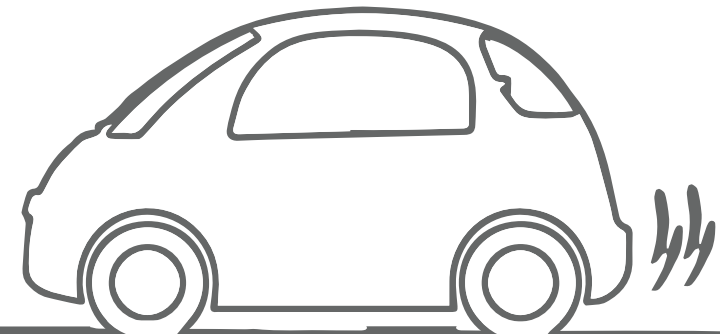
(Nike chief coach & co-founder, Bill Bowerman adds - if you have a body, you're an athlete).



Nike of old was all about winners. An early poster for Nike at an Olympics showed an exhausted athlete looking less than happy. The accompanying headline: "He didn't just win silver. He lost gold"

While aspirational, it was too exclusive - they needed to broaden their appeal, while retaining aspiration. The human truth is we all can become champions, by doing the best we can.

Google & Nike have innovation built into their DNA, inspired by a sense of purpose.



creating shared value

“We know this from home, it grows in our backyards”

Nestle was testing the economic potential of morogo – African wild spinach. Our initial research indicated it was well known to many with rural roots in Southern Africa. Morogo grows in abundance, is regarded as a nutritious staple & divides opinions. For some, morogo comes from their roots, for others it is a memory of a life they gladly left.

‘Creating shared value’ is the Nestle purpose that grows from crop to brand.

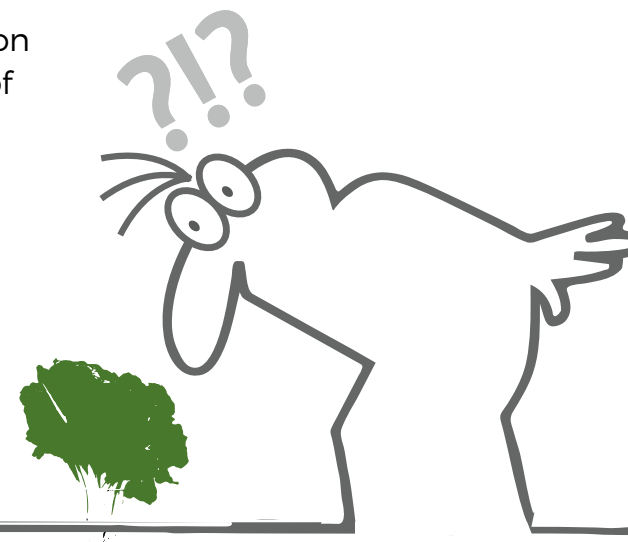
One focus area is rural development. This has given birth to a cornucopia of initiatives around the world, from initial research to pilots & full-scale production..

A shared purpose contains deep wells of opportunities. It also brings increased scrutiny. How will bottled water create shared value? Is infant nutrition promoted at the expense of breast feeding? Nestle engages in the dialogue, because:

- it’s a long way to fall from a moral high ground
- spirited dialogue fuels innovation

Shared purpose becomes a social contract...a corporate license to operate.

(Maggi Morogo 2-Minute Noodles now on trial. Another ripple in the Nestle river of change)



the whole avocado

You buy an avocado for its fruit & unless you're a horticulturalist, you throw the pip away.

Yet this pip is the source of another avocado, a tree, even a plantation. It is natural, renewable energy.

This pip is your culture, the flesh is your brand, while the skin of the avocado protects & communicates what is inside.

Positive, aligned cultures develop around shared purpose, to grow & sustain powerful brands.



seduction & soul

*'It answers the brief, but it's not seductive' Robin said.
'Great ideas seduce you'.*

In the early days of mass advertising, the USP (Unique Selling Proposition) ruled. 'The only suds with blue-magic whitener' comes not from Mad Men, but P&G's Cheer. As the USP sliced uniqueness ever thinner, emotion came to be a key differentiator. Like the ad, like the brand, became the mantra that gave rise to the creative agency.

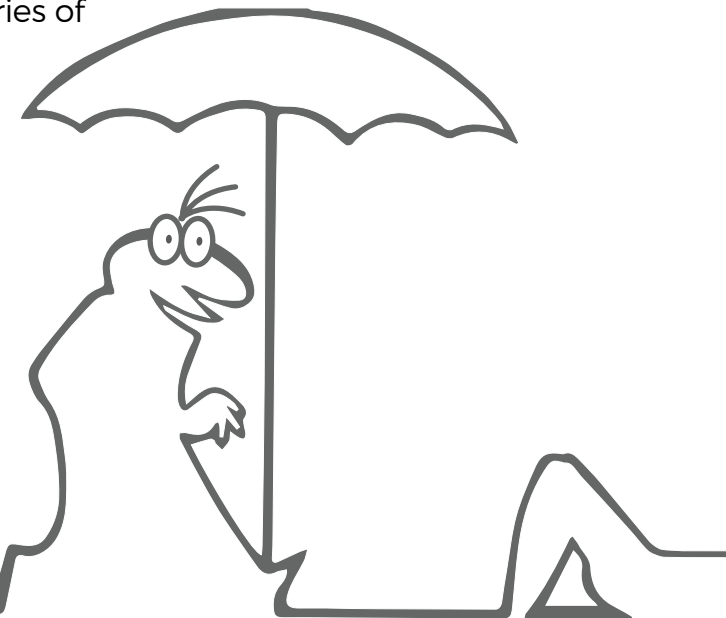
Ads were created & crafted primarily to seduce. Brands went beyond trustmarks to become passion, aspiration & identity marks.

But half-empty promises are found out, sooner or later. Now sooner, in this time of global transparency. Brands need to resonate with deeper meaning. Lasting

attraction needs to be more than skin-deep.

A sense of purpose gives brand-makers the opportunity to express the authentic voice of the brand. To reach out .

Purpose with promise & personality are the weft & warp threads for the weavers of magic & logic ...to make tapestries of seduction & soul.



the brand behind the brand

Our purpose is to make sustainable living commonplace. We work to create a better future every day, with brands and services that help people feel good, look good, and get more out of life. Unilever

Purpose is nothing new for Unilever. In the late 19th century, the co-founder of Lever brothers wrote the why of Sunlight Soap:

To make cleanliness commonplace; to lessen work for women; to foster health and contribute to personal attractiveness, that life may be more enjoyable and rewarding for the people who use our products. William Hesketh Lever

120 years later, Lord Lever's spirit thrives at the heart of the global giant he helped to found.

Every brand becomes a cause, a social movement Paul Polman, Unilever CEO.

Dove encourages women to love themselves for who they are. Lifebuoy is dedicated to prevent the death of up to two million new-borns each year due to infection. Ben & Jerry's ice cream has social & environmental justice in its DNA.

Paul Polman changed the rules when he told analysts Unilever will no longer issue quarterly reports & forecasts. If that upsets some, they must sell the share - Unilever wants long-term investors, not short-term profit-takers. His goal is to double the company size in a decade, whilst halving its environmental footprint. This leads executives to think differently about their brands, inspired by a common purpose.

Unilever's Sustainable Living Plan gives detailed performance figures against targets. The conclusion to date:

Brands that are integrating sustainable living into their core purpose are driving success for our business.



internalising externalities.

“The grass is so good here, humans can eat it”

We were at a town in East Griqualand, Kwa-Zulu Natal, doing some work on border economies. We had asked why dairy-farming was prevalent in the area & this was the answer. We also were told about a nearby town that used to have two cheese factories producing regional favourites.

Then a major dairy company started buying up all the milk – to send by road to Durban for their centralised cheese plants. The local cheese

factories, deprived of product, had to close. They were the lifeblood of a small town.

Disregarding externalities can make short-term business sense, deepen inequality & turn the natural world into a tragedy of the commons. It is also increasingly risky, as corporations come under close & constant scrutiny.

A sense of purpose internalises externalities. It connects the dots.



no place to hide

A brand is a double-edged sword. As strong as Achilles, as weak as Achilles heel. It is no longer enough for the corporate to practise good citizenship; the brand must, as Nike & Mattel found out to their cost, ensure that its value chain does too.

Naomi Klein's "No Logo" highlighted a group of young Canadian activists who were unsuccessfully trying to halt the logging activities of a disinterested multinational. They were getting nowhere until a late-night think-session was fuelled by pizzas. One of the team noticed that the logging company had provided the pizza box for Pizza Pizza. They discovered that Woolworth's & Roots were also using the logger's products. They pressured the brands with the threat of adverse publicity. The brands pressured the logging company with their business. Loggers & activists soon reached agreement. The old forests were saved because the brand is the most valuable & vulnerable link in capitalism's value chain.

The corporation is no longer in control of the story. Trying to manage stakeholders, in a storm of social media, is whistling in the wind. The storms will be more common, more severe if the culture is adrift - without purpose.

"Take care of the sense, and the sounds will take care of themselves."
Lewis Carroll



rising temperatures

Social inequality and climate change confront us. Global waves of concern rise by the year. Consumerism has a price our children will pay. Corporations recognise they need a moral licence to operate. They also know you cannot do business in a society, or world, that's burning.

As concern turns to crisis, so the need to change becomes more pressing. As our current trajectory becomes evident to all, wanting to change is more considered.

If the world has not approached its end, it has reached a major watershed in history, equal in history to the turn from the Middle Ages to the Renaissance. It will demand from us a spiritual blaze... This ascension is similar to climbing onto the next anthropological stage. No one on earth has any other way left but - upward. Alexandr Solzhenitsyin

And thanks to technology, allied to our uncanny ability that saves us on the edge disasters, the how to is proliferating.

When 'need to', 'want to' & 'how to' align, change accelerates. Opportunities to lead from the emerging future become prevalent & more powerful.

In rising temperatures, purpose-driven enterprises dare to be more disruptive. By ripples & dings they become regenerative.



fading why

Make People Happy - Disney

This lean, sharp, call was replaced by:

To be one of the world's leading producers and providers of entertainment and information. Using our portfolio of brands to differentiate our content, services and consumer products, we seek to develop the most creative, innovative and profitable entertainment experiences and related products in the world.

Maybe the share analysts like it, especially the most...profitable...in the world - but it is nowhere near as sharp. Partly vision, part wish-list, clothed in consultant-speak, as

human as a plastic bag. It may make you nod, it will not make you dance.

A computer on every desk & in every home Microsoft, 1980

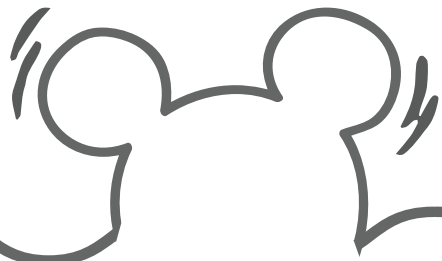
This from a start-up that didn't make computers. A culture was born.

To create a family of devices and services for individuals and businesses that empower people around the globe at home, at work and on the go, for the activities they value most
Microsoft, 2013

& the magic was lost...

To empower every person and every organisation on the planet to achieve more
Microsoft, 2015

A work in progress....



inflexion points

Some new leaders are welcomed, some especially those from outside the industry, are treated with suspicion, hidden or open hostility. The search for a shared purpose is a journey leadership teams take, to find their common ground.

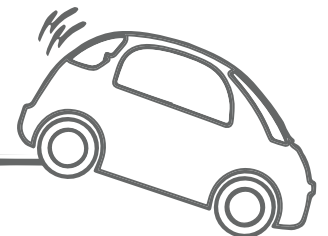
AOL–Time Warner & Daimler-Chrysler are two of many mergers that decimated shareholder value. The strategy made sense, the numbers sang, while cultures went to war. Mergers need to integrate the inside. A shared purpose is a good place to start.

Companies attempting to “position” themselves need to take a position. Optimally, it should relate to something their market actually cares about. Cluetrain Manifesto. Thesis 23.

Unclear brands are often cloudy at the core. And we’ve all been down a few wrong paths. Turning back is one option – trekking off-road is another. Renewed shared belief guides where we go from here.

If not this way, how? If not now, when?
Primo Levi

inflexion points	finding why is
new leadership	...the start of a shared journey
mergers	...a statement of intent
unclear brand	...clarity
wrong path	...a fresh start



founders & beyond

With harmony between supervisors and workers, with sincere devotion to work, strive to help your industry and your country reap the fruits of progress.

By studying and developing your creativity, always anticipate the trends of the times.

Be on your guard against showy luxury, while making efforts to be more frugal and courageous.

While maintaining a warm and friendly attitude, improve the atmosphere in your own home.

Have respect for the gods and the Buddhas, always repay a kindness, and show gratitude.

The Toyota Summary, 1935. Based on the final instructions of Sakichi Toyoda

Founders, by turn philosophical & practical, express a clear sense of purpose. In seas of doubt, they are beacons of clarity, standing for ideals in a compromised world. Founders bequeath *why*.

Successors have a choice. What to keep, what to change.

“I will build a motor car for the great multitude...constructed of the best materials, by the best men to be hired, after the simplest designs that modern engineering can devise...so low in price that no man making a good salary will be unable to own one - and enjoy with his family the blessing of hours of pleasure in God’s great open spaces.”

Henry Ford c 1903



who had why

In 1900 George Eastman introduced the Kodak Brownie camera for hobbyists, with its populist \$1 price-point. In the launch to his salesmen, he asked them what they had to sell.

"The new camera" they replied

"No sirs" said Eastman.

"The range of cameras" some said.

Again Eastman shook his head.

"We're selling film" said one after reflection.

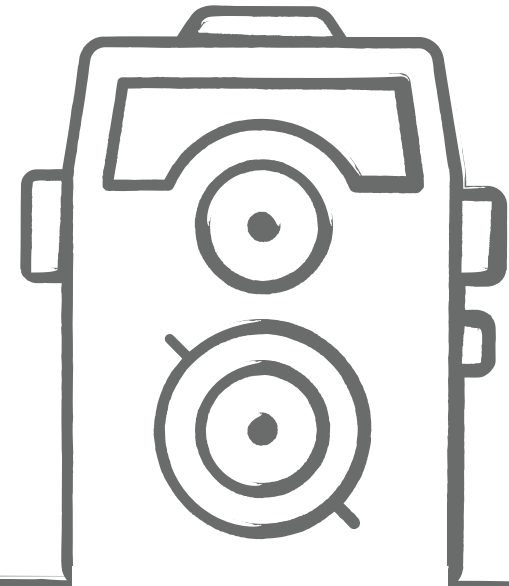
Another shake of the head. No more hands were raised. Eastman looked at his troops and said: *"Gentlemen, we are selling memories. Always remember that."*

Corporate memories too easily fade. In its pomp, Kodak employed 140 000 people & had a market value of \$28 billion. It was a home for innovators. They launched the first digital camera in 1975. Yet, instead of blazing a trail to shared memories, Kodak held back to protect its lucrative film business.

Instagram, amongst others, took the high ground. When acquired by Facebook in 2012 for \$750 million, Instagram had just 13 employees. Today, Instagram's estimated worth is \$35 billion.

George Eastman, like many founders, instinctively knew why his company was valued. When the value soars & the founder is no longer available, professional managers, however capable, tend to focus on units sold, rather than beliefs held.

The demands of now too often drown the quest for why.



the spirit of the Shokunin

All I want to do is make better sushi. I do the same thing over & over, improving bit by bit. There is always a yearning to achieve more. I'll continue to climb, trying to reach the top – but no-one knows where the top is.

*I love making sushi – that's the spirit of the shokunin. When to quit? The job you've worked so hard for? I never once hated this job. I fell in love with my work and gave my life to it. Even though I am 85 years old, I don't feel like retiring. That's how I feel. **Jiro 'Dreams of Sushi'***

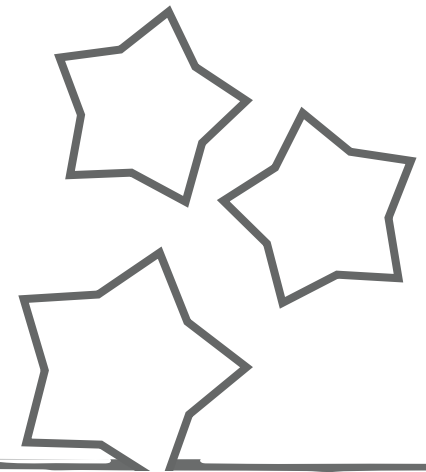
Jiro is the first 3-star Michelin Sushi chef. His 10 seater restaurant is in the basement of an office building in Tokyo, next to the subway. His apprentices must train for 10 years and cannot slice anything before they know how to hold the fish. The 20-course tasting menu costs \$300 and is over in 30 minutes as each bite-sized dish needs to be consumed within a minute of being prepared.

The literal translation of Shokunin is 'craftsman' – however there is a deeper meaning. The Shokunin combines technical mastery with a profound sense of purpose.

The Suntory group make whiskey, wine & health drinks, grow flowers, & built an opera house in Tokyo that Herbert von Karajan described as a 'jewel-box of sound'.

The Suntory purpose is to be in harmony with people & nature.

From blending whiskey to music, harmony is key to all Suntory does. The spirit of the Shokunin infuses individuals & corporates.



Lara and her young son Will, were taking Southwest from Jacksonville to Kansas City, with a short layover in Nashville that gave them both just enough time to grab a slice of pizza & accidentally leave behind a backpack with her son's most prized possession, 'Hanover Bear'.

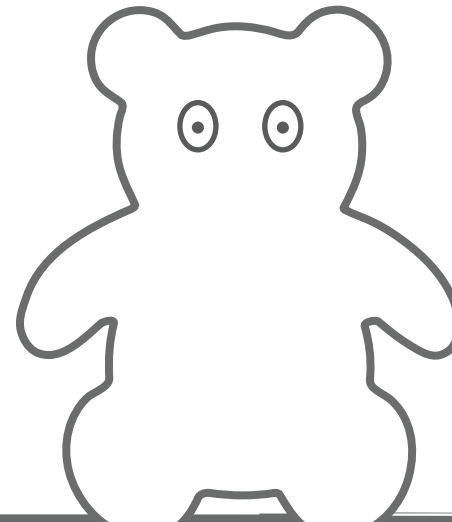
They only realised when they reached Kansas & a frantic call to Southwest lost property followed at around 11pm. The employee who took the call went to find backpack and bear. She returned them, with this handwritten note:

Dear Will,

I had a very fun time at the airport in Nashville. There were lots of people & planes to see. When it was time to go to sleep I missed you. I asked a nice lady at Southwest to call Mummy so I could come home. Please give me a big hug.

*Love,
Hanover Bear*

Southwest collects & promotes stories like this amongst all employees – because being friendly means more to them than a nice-to-have. It is a part of their DNA, embedded in their purpose...



operationalising why

Our Purpose *To connect People to what's important in their lives through friendly, reliable, and low-cost air travel.* **Southwest Airlines**

Maintaining low-cost has been the cornerstone of Southwest's business strategy. While their costs per available seat-mile are less than conventional carriers, they pay their pilots, mechanics & flight attendants more than anyone else in the American industry.

In return, their employees are more productive, turnaround times are faster, the point to point model (instead of hub and spoke) with one class of aircraft (Southwest has the world's largest fleet of Boeing 737s), all keep cost advantage & grow the pool of air travellers.

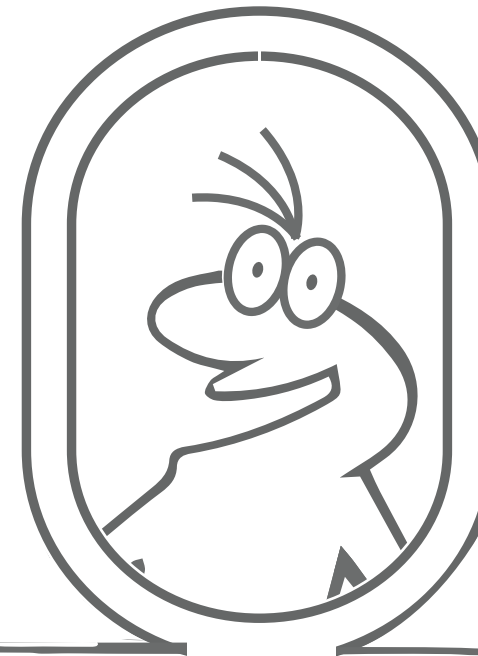
Southwest, the only airline to be consistently profitable for over 40 years, operationalises its why. It has revolutionised an industry.

While other airlines now match the cost-cutting measures & sometimes undercut Southwest, there is another operationalising strategy that is far harder to emulate.

Friendliness is grown, authentically, from within. It is nurtured & celebrated throughout the enterprise.

Applying purpose, every moment of every day, is job #1.

"Our culture is our biggest competitive strength" **Mike Van Der Ven, COO Southwest**



can Coke have a purpose?

*Doing now what patients need next is a noble quest...for Roche.
How about The Coca-Cola Company?*

Corporates are neither Mother Theresa, nor Genghis Khan. Between saint and sinner there is space for a balanced morality. To do more good than harm.

The Coca-Cola Company purpose:

- To refresh the world...
- To inspire moments of optimism and happiness...
- To create value and make a difference

Its refreshment portfolio has diversified significantly to tilt towards healthier alternatives. Sparkling beverages are less than 25% of total revenues.

Their Water Stewardship Goal... to 'give back an amount of water equivalent to

what we use in all of our products and their production by 2020' ...has been met.

The company continues to develop a host of entrepreneurs who integrate into its distribution network.

Like most corporates, Coca-Cola has its Genghis Khan side. Purpose is not a panacea - it exists to tip the scales, because it makes good business sense.

*The king was not content with being.
He was striving to become.*
Salman Rushdie - The Enchantress of Florence



stress-testing

Why romaine lettuce when iceberg will do? Why tread the muddy fields of Iowa to see how pigs are raised? Why toast the cumin before you grind it? Why cumin, indeed?

The reasons are as simple as better - tasting burritos, and no less ambitious than revolutionizing the way America grows, gathers, serves and eats its food.

Opening of Chipotle “Food with Integrity” Manifesto, by founder Steve Ells

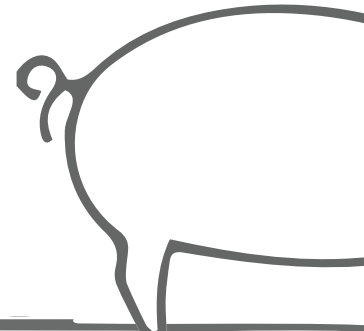
Steve Ells was a classically trained chef who wanted to make better tasting burritos & tacos in a casual environment. For years he wasn't satisfied with the taste of carnitas. He tinkered with the recipes, nothing seemed to work. Then after reading about farms in Iowa that raised pigs the old-fashioned way, relying on care rather than chemicals, he realised it was not his recipes that caused his carnitas to be only so-so - it was the commodity pork they used. His journey to 'food with integrity' began.

Chipotle opened its first store in 1993. In 2001 Steve Ells found a better way to make carnitas. Chipotle now has over 1500 stores & the company consistently delivers double-digit growth. They have a good story, told particularly well.

In 2015, an outbreak of e-coli swept across West Coast Chipotle stores, while the East Coast was hit with the novovirus. In the ongoing over-reaction it was claimed that a favoured college basketball team lost, because they ate at Chipotle the night before. It is the worst possible scenario for what is billed as a healthier, tastier carnita.

The depth & outcome of response will determine whether food with integrity is weakened through rapid growth, or strengthened through adversity.

A purpose is often tested.



Without a deeply held, commonly Shared Purpose that gives meaning to their lives; without deeply held, commonly shared, ethical values and beliefs about conduct in pursuit of purpose that all may trust and rely upon, communities steadily disintegrate and organisations progressively become instruments of tyranny.

This isn't a bunch of platitudes, but a manifesto of what the people in the organisation believe in and care about in their gut. And getting there is going to be downright excruciating...

What we're trying to do is build a community. And it's only when that community has solid agreement on purposes and principles that you can start talking about the concept and structure of the organisation.
Dee Hock, Founder of the Visa Corporation

At times getting there is downright excruciating. Sometimes it will feel like a square dance – two steps forward, two sideways, one step back. There are also times of breakthrough - they make all the other times worthwhile.

Finding Why is a journey, rather than a destination.



compassion that counts

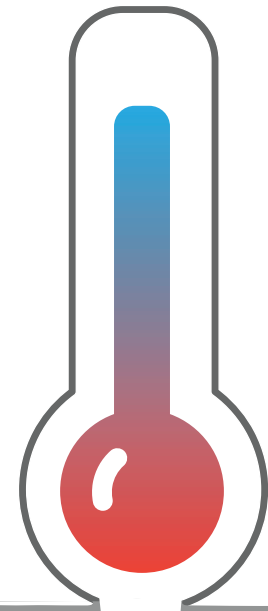
Listed on the Joburg Stock Exchange, Clientele consistently does well, partly because leaders refuse to rest on past laurels. Following in-depth customer & prospect research, leadership shared a journey to find the essence of of the company - a Clientele purpose - for call-centre agents & leadership alike.

Life assurance, the backbone of the business, deals with the financial implications of death – sometimes sudden, sometimes expected – often traumatic & costly. The team reflected on the concept of compassion, with insights spanning over 2 500 years, from the Tao te-Ching to Nelson Mandela. Practical applications were tested.

What would compassion mean to an agent receiving news from offspring or partner that a policy-holder had died that morning? The answer revealed an in-the-moment truly helpful response.

The Clientele purpose, *Safeguarding your world with compassion*, is reflected from new policies to streamlined payouts. It is being measured – with increasing sensitivity. (The numbers have always mattered to Clientele.)

The soft stuff has hard metrics, too.



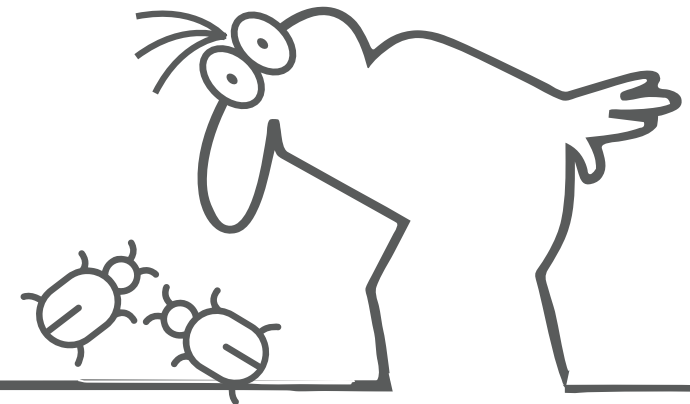
living why

The food was a disaster, the beds were home to an army of hungry bugs, service was scarce, temperatures soared, then the generator broke down. The executive retreat was turning into an episode of Survivor.

I was there with a new client, who supply business services & a payment gateway for medical practices. We were tasked with shaping a shared purpose & common values. With rumbling stomachs, free from Powerpoint & mostly left to our own devices, the 20 of us sat in the shade of an umbrella tree to share what moves us. 20 minds came together together, co-creating, co-ordinating the kind of enterprise we wanted to become.

15 years later, the purpose has been refined, values synthesised & we still come together to take the journey further. Culture is not an occasional event at Healthbridge.

*My last slide at every monthly induction, where I present our Purpose, Vision and Values, still reads, "Mmmm, I see, you want to do well by doing good."
(From the Yoda of Fuzzy Things who facilitated our very first culture session, Mike Freedman)
Luis da Silva, CEO Healthbridge.*



what is, what can be & why

freedthinkers work on insights & strategies for blue chips, new chips, cities, towns & precincts.

We're based in Cape Town & Joburg, with a portfolio of clients in three continents. We look deeply into what is, then guide journeys to find why & a route to what can be. It's difficult terrain & we've fallen into a few potholes. But we've learned along the way, developing effective process flows & skills.

Our own purpose - opening minds to possibilities - has led to this e-book. Feedback welcome - we're still learning.

Written by Mike Freedman


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changing minds • changing places

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