



A Purpose Statement

Definition and Differences of Pride, Purpose, Vision and More...

What is it?

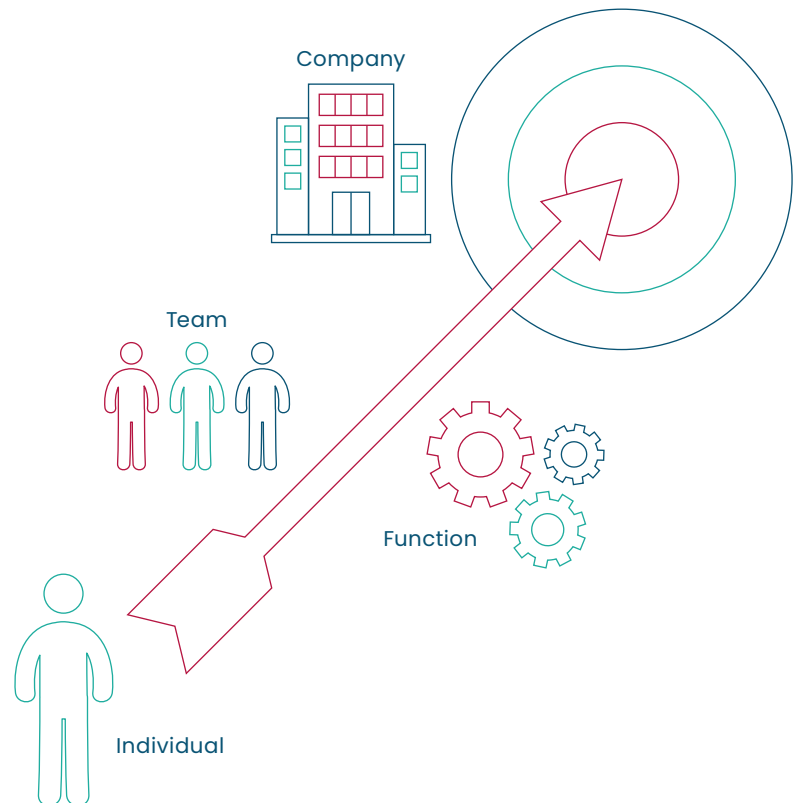
Overview and Definitions

The way we use the word purpose is different from how most define it. The widespread definition is parallel to mission (why we exist as an organization). Here, we are using the words purpose and pride synonymously. Our definition of purpose is that it serves to imbue the group's work with meaning and impact. Purpose is different from vision (defining our ideal future state by what we want to accomplish). A well-crafted purpose statement answers the question, "What will make us proud?" and represents the best values of the group.

Purpose statements can be used to initiate, evaluate and refine business strategies and activities. They are templates for strategic direction, used to:

- Create organizational alignment and momentum around direction
- Measure progress
- Identify priorities and sort out issues
- Resolve conflicts in a way that honors paradox and complexity

Today, many top-performing leaders have abandoned vision statements. Generic vision statements have many shortfalls. Sometimes generic vision statements are perceived as unattainable within the context of the organization's actual policies and practices, and used more for marketing initiatives as an outward focus on



websites, banners or mugs. Others, such as "We will be the best company in the world," are too vague and thus meaningless to their audience. Other vision statements are too specific. They are written as business objectives, with metrics, percentage increases and are neither inspirational nor galvanizing of commitment and energy beyond the limited function of goals. "We will create five new products within the next three years which capture a 30% market share" is such an example.



How to Use It

Creating a Purpose Statement: The Process Overview

The process of crafting a purpose statement is critical to achieving the desired outcome. Today's workforce is seeking greater meaning in work as well as the ability to shape organizational direction. Superior leaders have invested energy in creating a sense of purpose and direction in their organizations. The processes themselves may vary from organization to organization but should share key characteristics:

- Include the maximum feasible number of group members to help insure buy-in and exploration.
 - Begin by exploring the purpose of purpose. This will help commit people to a serious effort and prepare the group for the examination necessary to create a meaningful statement. Questions can include:
 - *What do we hope to accomplish by having a purpose statement?*
 - *What will happen if we do?*
 - *What will happen if we have a purpose statement and do not fulfill it?*
 - Start with the individual, not the group. What will make the individual proud? Only after exploring and understanding individual differences and similarities should you move on to the group level.
 - Are characterized by mutuality, questioning and dialogue to arrive at mutual agreements.
- Allow for multiple statements to be tentatively crafted and explored.
 - Create accountability for individuals and the group as a whole. Typically, this is accomplished through individual and group evaluations. Each of the multiple statements is evaluated by both individuals and the entire group to determine the following:
 - *How well is the organization achieving each tentative statement of purpose?*
 - *What specifically would they as individuals, and as a group, need to change in order to achieve each statement of purpose?*
 - *If they did so, what would be the outcome—for the business, for them individually, and for the group as a whole?*
 - Strive to achieve consensus around a final purpose statement, which best answers the question: What will make us proud?
 - Result in agreement upon individual and group metrics to mark the group's progress towards attainment; effective processes also spell out how individuals and groups will hold themselves accountable.



Purpose Statement Evolution

As an example, a Biotech company's mission statement was: *"To create innovative products that will save human lives."* This sounds like an inspiring, even great mission. But when push came to shove, the company found it could not really use this mission statement to make strategic—or even tactical—decisions.

In one case, the company had to decide whether to invest an additional \$600 million in product **A** or in products **B** and **C**. Product **A** was well down the track of FDA approval, would clearly be an innovation that would save human lives, but would create only a break-even return at best. Products **B** and **C**, though each at just the beginning of the FDA approval process, also had the potential to save lives and, if approved by the FDA, would return a substantial multiple to the company.

On the face of it, this seemed like an easy decision. But the mission statement confused decision-making and the company was caught in conflict. Key product managers working on product **A** pointed out that abandoning their product would fly in the face of the much-touted organizational mission statement.

The conflict was ultimately resolved when the company (including product **A**'s management team) looked at the question of what would make them proud. As a result, they changed their mission statement into a purpose statement by adding the words: *"...and enable our company to generate returns that will allow us to significantly invest in research and innovative product development."*



Sample Purpose Statements

Supply Chain Management Team Purpose

We'll feel proud when we are being authentic with each other, fun-loving, mutually trusting, creative and respectful, which will enable us to rapidly provide valuable medicines that enhance quality of life for patients and their families.

Financial Back Office Firm

Perform as a dynamic, consultative and collaborative team focused on consistently delivering business solutions that provide a positive impact in a way that thrills our customers, develops the individual, and supports our corporate financial objectives, so that we become essential to our business partners.

Decision Analysis Leadership Team

Our purpose is to build and sustain a creative, challenging learning environment so that every person in the department is trusted and sought by experienced, smart leaders to lead/facilitate/influence difficult, meaningful decisions, and is appreciated/acknowledged for his/her contribution in order to achieve business results.

Decision Analysis Department

We will feel proud when our department is sought to deliver innovative, actionable solutions which enhance Acme's prospects of fully realizing its mission. We are an exemplar of a spirited high-performing team where leadership, teamwork and accomplishment are recognized, creativity is valued, development is encouraged, and pride is manifest.

Retail Company

We will feel proud when we improve the health of our customer.

Adapted from: David McClelland's Motive Research and Harvard School of Social Relations and Burnham Rosen Group.