

## The Third Opinion

### The Power Of Purpose

Saj-nicole A. Joni 12.04.06, 10:00 AM ET

The stunningly one-sided results of the recent U.S. elections speak loudly to leaders everywhere: Even against considerable odds, free and educated people can and will align around the bedrock of purpose, intent and consistency of word and deed. The importance and galvanizing strength of purpose, played out in the political arena, applies equally well to leaders in executive suites across the globe.

"Great companies are the ones with both their heads and their hearts in the game. And only purpose can get you there," says Douglas Conant, who has led the transformation of Campbell Soup Co. since taking the helm as president and CEO in 2001. "At Campbell, the original mission we developed was aspirational, but not inspirational. As we evolved that mission, we started thinking deeply about purpose, and we realized we could do better than being simply competitive; we could, in fact, become the world's most extraordinary food company by nourishing people's lives everywhere, every day."



Discussions of purpose in the business and leadership contexts are not new-- Harvard Business School Professor Joseph Bower points out that the original definitions of corporate strategy found in Kenneth Andrew's seminal book *The Concept of Corporate Strategy* (1971) included "purpose, principal policies, goals, plans for achieving these goals, the range of business to be pursued and the kind of economic and human organization it intends to be."

But over time, strategy has become associated with competitive position and competitive differentiation, and the value elements were put aside. The return of purpose to the leadership agenda reflects our understanding that to create sustainable companies, we must understand them as much more than merely engines that create profits. "This is important not only because people everywhere want to think of themselves as creating more than just profits, but also because this broad definition creates an environment which encourages people to push the bounds of their creativity," Bower says. "Over time, this has created a miracle of value for consumers."

Braun President Bracken Darrell says that from the roots of its early history to its chic and modern offices today, Braun has always been infused with the idea that improving design in consumer products makes life better--not only for aesthetics, but also for enabling the full range of utility and experience for people everywhere. "Purpose is different from vision, values and goals. Purpose is why the work people do matters," Darrell explains. "This is the cornerstone which powers Braun's culture and growth, and gives deep meaning and pride to the many people who work here." As the new president of Braun, Darrell followed his well-honed habits and focused on product and market strategies. But the more he learned, the more he came to understand that "the enduring undercurrent of our purpose--design makes life better--is the key to unleashing the full potential and the extraordinary value of what we are capable of."

Internationally recognized CEO adviser Nikos Mourkogiannis, in his new book *Purpose: The Starting Point of Great Companies* (Palgrave/Macmillan, 2006), encourages leaders to raise the bar from questions of "how" to questions of "why." Mourkogiannis contends that "when the 'why' is answered, the alignment it creates makes everything else easier, more powerful, more sustainable."

Of course, in the short term, it is possible to run a business with great profits without doing the deep work of purpose. But over the long run, such a strategy is unsustainable. By creating alignment at the level of "why," purpose creates context that allows for spirited, even passionate, disagreement and competition at the level of

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“how.” Properly cultivated and harnessed, this gets at what is enduring, what is beyond the hype of today’s new fanfare--offering a profound hedge against commoditization.

Purpose as a fundamental business rudder is universal, reaching across culture and geography. Michel Accad recently left Citibank to join Jordan-based Arab Bank as its deputy CEO. “Although purpose has always been part of my instinct, it is only recently that I have raised it to a level of conscious and systematic focus,” Accad says. “Purpose points to direction and intent, while vision points to destinations on the path. Our purpose at Arab Bank is to serve Arab customers to the best of our abilities--locally, regionally, and globally--enabling [them] to participate fully in the global world economy.

“Purpose allows me clarity of mind that helps me to lead people differently. For example, I was recently asked to approve a large transaction in India. It was very profitable, so it furthered our goals of annual growth and profitability, but the transaction did not fit within our purpose. The client was not an investor in the Arab world, and other than its margins, it brought no value to our purpose. Time and capital are finite, and we turned down the deal.”

At Campbell, purpose is the unifying thread that creates leadership opportunities at every level. Conant and his team have involved the organization in creating the Campbell Success Model, Mission, Leadership Model, Values Statement and Employee Value Proposition as an integral part of embedding the company’s purpose into the fabric of the organization. “The work of purpose is one of discovery, digging deeper to find together what resonates, inspires and builds better lives,” says Conant. “We created this tapestry to embody our deepest sense of purpose, because no one statement can fully capture its essence for everyone.”

According to Mourkogiannis, “It is a paradox of leadership that commitment to purpose boosts profits and long-term sustainability, but will only do so if pursued for its own sake.” But just because it is a paradox does not mean that you can ignore it.

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