

CHEAT SHEET: PURPOSE STATEMENT

Why?

Purpose is the “heart” of the business. As you probably know we mostly buy on emotion rather than logical and the same applies to employees. Research shows that if you ignite and capture their hearts, not just their heads, they will give 40% more discretionary effort*. An effective purpose statement will: focus the company, become a template for decision making, facilitates change and improvement.

What is a purpose statement

It can be a single word or a sentence (the shorter the better). Why does the business really exist? If it no longer existed what difference would this make to the world, or to the customers? Why does what you do really matter?

The statement creates an emotional connection that invigorates understanding, commitment and empathy to the cause of the business. First and foremost it is important to the owners and employees of the business because it is only through their passion and commitment to the cause of the business that they will commit their all. (Note, for our purposes we consider mission & purpose statements to be the same thing.)

How to create yours

A brain storming exercise utilizing the “5-Whys” is a great way to start identifying the purpose of the business. Start this process by nominating why your business exists, then ask why this matters. Keep asking the same “why” until you feel that you have got to the crux—the real and true reason why the business exists.

Ensure that the final purpose statement is not confused with a brand promise. The purpose goes deeper than describing the features or benefits of your brand. As a CEO or business owner you should be repeatedly reminding all about the purpose of the business. The purpose of the business will have a positive effect on your customers if it resonates with them, does the final result identify with the niche you are attracting?

Examples

“I believe that this nation should commit itself to achieving the goal, before this decade is out, of landing a man on the Moon and returning him safely to Earth .”

John F Kennedy

“Google's mission is to organize the world's information and make it universally accessible and useful”

Goggle

“Innovation”

3M

“Happiness.”

Disney

“Robin Hood”

Wal-Mart



The sniff test



Is your purpose:

- True & authentic to you and your brand?
- Is it consistent with the Vision, Values & Convictions & BHAG?
- Is it memorable?
- Is it easily understood?
- Does it act as a compass within your business?

Purpose Statement: true —authentic—connects emotionally—the “big picture”