# Forget The Mission Statement. What's Your Mission Question?

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In a previous article, I shared <u>five questions that today's forward-thinking companies</u> <u>should be asking</u>, based on input from top business consultants. This second installment, on the same theme, presents five more questions—but with a specific focus this time. These are questions that zero in on the mission and higher purpose of a company. Think of them as "mission questions."

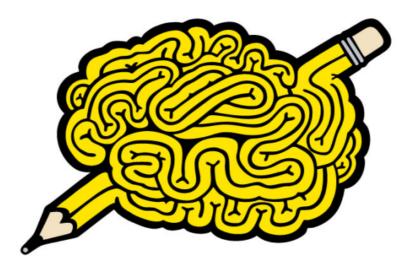
#### **Editor's Note**

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Happy (almost) New Year! We're saying good-bye to 2013 by revisiting some of our favorite stories of the year. Enjoy.

Most companies, of course, articulate their missions by way of formal "statements." But often they're banal pronouncements (*We save people money so they can live better.* – WalMart) or debatable assertions (*Yahoo! is the premier digital media company*) that don't offer much help in trying to gauge whether a company is actually living up to a larger goal or purpose.

"These are questions that zero in on the higher purpose of a company." Questions, on the other hand, can provide a reality check on whether or not a business is staying true to what it stands for and aims to achieve. So herewith, derived from interviews for my forthcoming book, *A More Beautiful Question*, are thoughts from a couple of top CEOs (Panera Bread's Ron Shaich and Patagonia's Casey Sheahan) and a trio of leading business thinkers/consultants (the Harvard Business School's Clayton Christensen, Peer Insight's Tim Ogilvie, and SY Partners' Keith Yamashita). The following five "mission questions" are designed to keep a business focused on what matters most.



### 1. Why are we here in the first place?

Over time, companies can lose sight of what they first set out to do. Even a company like Patagonia—with a much stronger, well-defined mission than most—has to ask the above question on a regular basis, according to Patagonia CEO Casey Sheahan. "There is great tension every day in the company between being successful in terms of growth, and what this means in terms of our environmental impact," he says. And the bigger Patagonia gets, the more challenging that becomes: Sheahan says he grapples with the question, "How can we minimize that [environmental] impact given that there is a tremendous carbon footprint operating a \$570 million business?"

But what helps guide the company at all times is the knowledge that "we arose out of our love of nature and the wilderness," as Sheahan puts it. "When the company was started, it was basically about protecting what we love, growing to expand our sphere of influence, and trying to inspire other companies." Not only is that the reason Patagonia exists—it's also the reason people come to work there. "It's why they're going up the stairs two steps at a time to get to their jobs," Sheahan says. "When I'm talking to people at the company and start out talking about how our sales are increasing—and then I say something like, 'By the way, we're sending 50 people down to the Gulf to help with the cleanup efforts down there'—suddenly people are on their feet cheering. *That's* why they're here."

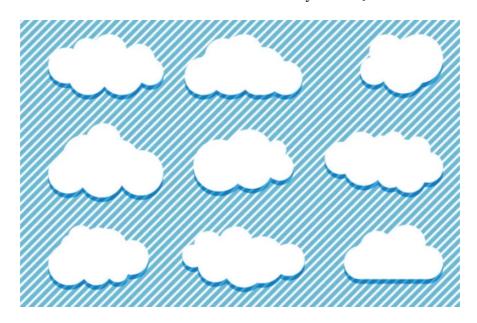
Not every company has an environmental mission like that, but Sheahan maintains that "for any organization, it is galvanizing to have a strong purpose and values, no matter what they might be." And a good way to surface that is by looking back to when the business was founded and asking: What was that higher purpose at the outset? And how can we rally people around that today?

"Where you can't serve both the bottom line and the cause, one must suffer."

## 2. What does the world need most that we are uniquely able to provide?

This was the question that Panera's Ron Shaich wrestled with a few years ago, and it led to the launch of Panera Cares—an initiative to open a number of pay-what-you-can cafés that are identical to the chain's other restaurants, except customers pay what they wish or can afford (based on suggested donation amounts).

Of course, with so much fresh-baked bread in so many outlets, Panera has always been "uniquely able" to provide leftover bread to people in need—and the company has, for years, been a major contributor to community food pantries, giving away in excess of \$100 million worth a year. "But then we started asking ourselves, *What more can we do?*" Shaich says. "I felt like, I want to put our bodies on the line." What gradually became clear was that Panera was in a position to provide not just bread giveaways but a more complete and dignified eating experience for those dealing with food insecurity. The first Panera Cares café opened about two years ago. Now there are five around the country, serving over a million people (and, for the most part, covering costs, as high donations from some customers tend to balance out lower ones by others).



#### 3. What are we willing to sacrifice?

Fast Company Events



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"The Rebuilders" will explore opportunities to reshape business, community, and culture, post-pandemic.

Shaich notes that as the company was developing the Panera Cares idea and putting it into practice (with the CEO himself logging about 100 hours working on location at the first café), the company made a number of tough choices to try to ensure the integrity of the program: offering a full menu instead of a limited one, using donation boxes at the cafés instead of cash registers (Shaich was concerned that the latter could create psychological pressure to pay). At each step, Shaich says, the company had to ask: Do we want to take a shortcut on this, or do it right?

As Peer Insight's Tim Ogilvie observes, being true to a mission or cause often requires making tough decisions. It's not surprising that smart businesses today would rather be seen as a "cause, not just a company," he says—after all, discriminating consumers and talented employees are drawn to brands and companies that share their values and that seem to stand for something worthwhile. But the only way to do this credibly is by sacrificing at times. "When you come to the point where you can't serve both the bottom line and the cause, one or the other must suffer," says Ogilvie, who points to the example of Whole Foods being willing to stop selling live lobsters for an extended period until it could find a supplier that did humane harvesting. "Those are hard choices, but when you opt for the cause over the bottom line, employees can see that," Ogilvie says, "and then they believe in the company and the cause even more."

Patagonia has demonstrated that it is willing to risk losing sales in support of the larger mission: For example, the company decided (famously) to run ads urging people *not* to buy its clothing (or at least, not to buy a new jacket if you didn't actually need it). Says

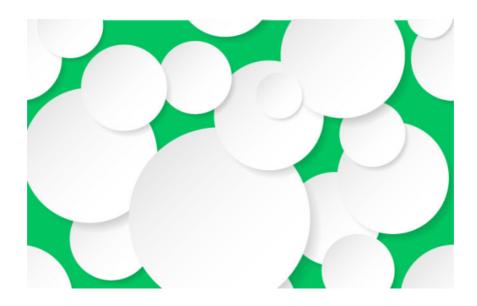
Sheahan: "Those ads were just asking people to question their consumerism and maybe be a little more mindful about the stuff they're purchasing." Still, it was a high-risk message at the time—though in the end, Sheahan says, it actually helped the brand gain market share by attracting more customers (who presumably admired the stand Patagonia was taking with the ads).

#### 4. What matters more than money?

Panera's Shaich says it's easy to lose sight of the big picture when company leaders start caring too much about quarterly financial results. "The reality is, shareholder value or stock price is not something you can create anyway," Shaich maintains. "It's a by-product that only happens if you make a difference in people's lives." And you can only do that, he adds, by continually asking mission-related questions—about what truly matters to you as a company and what's needed in the marketplace or the larger world.

But unfortunately, says Clayton Christensen of the Harvard Business School, many business leaders have been trained to care obsessively about short-term results—specifically, he says, they tend to put too much weight on financial metrics like IRR (internal rate of return) and ROCE (return on capital employed) because they've been conditioned to treat capital as precious. In reality, Christensen points out, "Capital today is abundant and cheap" (so much so, he notes, that "investors had to pay Square for the privilege" of having the hot startup take their funding). With so much available capital, it's an opportune time for companies to invest in expansive, game-changing innovation—and in "people who have the skills to solve not only today's problems but to ask what tomorrow's challenges will be," Christensen says.

"Businesses have remained focused on what Christensen calls 'efficiency innovations." Yet many businesses have remained focused on what Christensen calls "efficiency innovations" (aimed at reducing costs) in order to free up more capital, which in turn is used to create more efficiency. How to break this cycle? Christensen thinks tax incentives for long-term investment may help, but he also believes, like Shaich, that business leaders must step back and ask: What do we actually care about, beyond today's stock price or short-term return on capital? What are we trying to achieve and how will we get there, in the long run?



### 5. Are we all on this mission together?

Mission statements are usually handed down from on high (and most of them read as if cobbled together by an executive committee). But does a mission mean anything if the people throughout the company don't feel invested in it?

One way to help employees feel more engaged with a company mission is to give them a role in actually shaping it or refreshing an existing one. Keith Yamashita observes that some companies choose to involve many people in the crafting of the mission, while others leave it to the leadership—"to me, there's no right or wrong way," he says. But he does note that being involved in the mission creation—"doing the introspection—gets people to more firmly and more deeply believe in what they are doing."

"Figuring out what you want to accomplish is a continual search. Questions are the means."

Yamashita points to the approach used by Starbucks in modernizing its mission a few years back. CEO Howard Schultz worked with his top leaders to rewrite every word of the mission. That team then convened the top 300 leaders of the company to get them to commit to it; and they in turn went to more than 12,000 store managers, who spent four days in New Orleans committing to the mission. "This is a great example of mission-setting, starting with a few key leaders and ultimately rallying an entire workforce," Yamashita says.

A different approach by IBM under then-CEO Sam Palmisano sought even more direct input upfront, Yamashita notes. Palmisano "hosted a worldwide <u>online jam session</u>—using technology to elicit the ideas, thinking, and stories from IBMers about what they most valued," Yamashita says. More than 80,000 employees participated—and together, they wrote the company's values, which remain in place under current CEO Ginni Rometty.

Shaich says that at Panera ideas about how to live up to the mission can come from anywhere. For example, the Panera Cares idea originated during a dinner conversation between Shaich and a group of franchisees—one of whom raised a question about how the

company might expand upon its efforts to serve the community. That got Shaich thinking about ways to elevate the company's existing bread-donation program to a higher level.

Whether mission questions come from throughout the ranks or are posed by leaders themselves, the point is to keep asking, *What are we doing? Why are we doing it? How might we do it better?* As Shaich says: "Figuring out what you want to accomplish is a continual search—and questions are the means to the search."

[ILLUSTRATIONS: <u>Questions</u> via Shutterstock]