

AI-00948 What vs How vs Why Companies

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Define the following business concepts:

1. **"What" company**
2. **"How" company**
3. **"Why company**

Which type of business from the three mentioned has a better longevity, success and profitability.

List 10 examples of each.

Business Concepts:

1. **What Company:** This refers to a company's **products or services**. It focuses on what the company offers to its customers. It answers the question: "What problem does the company solve or what need does it fulfill?"

Examples:

- Apple (What: Smartphones, laptops, tablets)
- Nike (What: Athletic apparel and footwear)
- Netflix (What: Streaming service for movies and TV shows)
- Tesla (What: Electric vehicles and clean energy solutions)
- Airbnb (What: Online marketplace for lodging)
- Amazon (What: Online retail platform)
- The Mayo Clinic (What: Healthcare services and medical research)

- Goldman Sachs (What: Financial services and investment banking)
 - IBM (What: Technology and consulting services)
 - Hilton (What: Hotel chain)
1. **How Company:** This refers to a company's **business model**. It describes how the company creates value for its customers, captures a share of that value, and sustains a competitive advantage. It answers the question: "How does the company make money?"

Examples:

- **Subscription model:** Netflix, Dollar Shave Club
 - **Freemium model:** Spotify, Dropbox (basic features free, premium features paid)
 - **Marketplace model:** Amazon, Etsy (connects buyers and sellers)
 - **Advertising model:** Facebook, Google (sells advertising space)
 - **Direct sales model:** Avon, Mary Kay (independent salespeople)
 - **Franchise model:** McDonald's, Dunkin' Donuts (replicate successful business model)
 - **Manufacturing model:** Ford, Boeing (produce and sell physical goods)
 - **Consulting model:** McKinsey & Company, Deloitte (provide expertise and advice)
 - **SaaS (Software as a Service) model:** Salesforce, Zoom (software accessed online)
 - **E-commerce model:** Amazon, eBay (online retail)
1. **Why Company:** This refers to a company's **mission, vision, and purpose**. It delves into the company's reason for existence, its core values, and the impact it aims to make. It answers the question: "Why does the company exist?"

Examples:

- **Mission:** To provide clean energy solutions and accelerate the world's transition to sustainable energy - Tesla

- **Vision:** To be the world's most customer-centric company - Amazon
- **Purpose:** To empower every person and organization on the planet to achieve more - Microsoft
- **Mission:** To connect people and build community - Facebook
- **Vision:** To be the world's most inspirational and innovative sports brand - Nike
- **Purpose:** To improve the lives of millions through medical innovation - Johnson & Johnson
- **Mission:** To educate and inspire people around the world - National Geographic
- **Vision:** To be the world's most trusted professional services network - PwC
- **Purpose:** To unlock human potential - Adobe
- **Mission:** To organize the world's information and make it universally accessible and useful - Google

Longevity, Success, and Profitability:

It's difficult to definitively say which type of company has a guaranteed better chance of longevity, success, and profitability. All three aspects - What, How, and Why - are crucial for a company to thrive.

- A strong **What** provides a valuable offering that solves customer problems or fulfills needs.
- A well-defined **How** ensures the company can deliver that value efficiently and profitably.
- A clear **Why** inspires employees, attracts customers who share the company's values, and fosters a sustainable long-term vision.

However, companies that prioritize the **Why** tend to have a stronger foundation for long-term success. A clear purpose can attract and retain talent, build customer loyalty, and guide strategic decision-making through changing market conditions.

Here's an analogy: Think of a company as a stool. The **What** is one leg, the **How** is another leg, and the **Why** is the seat that holds everything together. A strong stool needs all three components to be stable and long-lasting.

What Company - Going Beyond Products and Services:

While focusing on products and services is a good starting point, a strong "What" company delves deeper into the value proposition. It considers the problem it solves, the experience it creates, and the transformation it enables for its customers.

- **Example:** Instead of just saying "we make athletic apparel," Nike might say "we empower athletes to achieve their full potential."

How Company - Innovation and Adaptability:

The best business models are not static. Companies with successful "How" strategies continuously innovate, adapt to changing market dynamics, and embrace new technologies to remain competitive.

- **Example:** Netflix started with a DVD rental model but transitioned to a streaming service to cater to evolving customer preferences.

Why Company - Inspiring Employees and Customers:

A strong "Why" company fosters a sense of purpose and meaning for its employees, leading to increased engagement and productivity. It also resonates with customers who share the company's values, creating a sense of loyalty and advocacy.

- **Example:** Patagonia, a clothing company, is known for its environmental activism, which attracts customers who value sustainability.

Examples of How Companies Can Combine All Three:

- **Tesla:**
 - **What:** Electric vehicles and clean energy solutions (solving climate change)
 - **How:** Innovative technology, direct-to-consumer sales model
 - **Why:** Accelerate the world's transition to sustainable energy
- **The Body Shop:**

- **What:** Natural beauty products (promoting ethical and sustainable practices)
- **How:** Community Fair trade program, focus on ethical sourcing
- **Why:** Empower people and communities to be the best they can be

By considering all three aspects - What, How, and Why - companies can build a strong foundation for success, create a positive impact, and achieve long-term financial sustainability.

Synthesize the what, how and why concept of business into a human life. Apply it in a person way of life.

The "What, How & Why" of You: A Business Approach to Life

The concepts of "What," "How," and "Why" aren't just for businesses; they can be incredibly useful in shaping your personal life as well. Here's how to translate these ideas into a human context:

What (Your Value Proposition):

- **What are your strengths, skills, and passions?** What unique value do you bring to the world, your relationships, and your work?
- **What problems can you solve for others?** Maybe you're a great listener, a creative problem-solver, or a natural motivator.
- **What kind of impact do you want to make?** Do you want to be known for your humor, your kindness, your hard work ethic?

How (Your Life Strategy):

- **How will you develop your skills and talents?** This could involve education, volunteering, or taking on new challenges.
- **How will you manage your time and resources effectively?** What habits and routines will help you achieve your goals?
- **How will you build strong relationships?** Effective communication, empathy, and active listening are key.

Why (Your Purpose):

- **What motivates you?** What gives your life meaning and direction?
- **What kind of legacy do you want to leave behind?** What impact do you want to have on the world?
- **What core values guide your decisions?** Honesty, integrity, compassion – these can be your guiding principles.

Applying the "What, How & Why" to Your Life:

- **Imagine you're applying for the job of "Your Life."** What would your resume look like? What skills and experiences would you highlight?
- **Develop a personal mission statement.** This should capture your "What" and "Why" in a nutshell.
- **Create a personal development plan.** How will you learn new skills and improve yourself to achieve your goals?
- **Live with intention.** Make conscious choices that align with your "What," "How," and "Why."

Remember:

- Your "What," "How," and "Why" can evolve over time. Revisit them regularly and adjust as needed.
- This is your life, not a business. Balance and self-care are essential.
- By applying these business concepts, you can take a proactive approach to living a fulfilling and meaningful life.

20 Examples of The "What, How & Why" of You: A Business Approach to Life

1.

Personal Trainer:

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What: Helps people achieve their fitness goals (improved health, confidence)

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How: Creates personalized workout plans, provides motivation and support, stays up-to-date on exercise trends

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Why: Empowers individuals to live healthier, happier lives

2.

Community Gardener:

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What: Provides fresh, local produce and fosters community connection (food security, social interaction)

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How: Organizes planting days, educates others on sustainable gardening practices, collaborates with local businesses

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Why: Promotes healthy eating, environmental responsibility, and community building

3.

Aspiring Writer:

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What: Creates stories that entertain, inspire, or educate readers (imagination, emotional connection)

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How: Develops writing skills through workshops and practice, hones storytelling techniques, builds a network in the publishing industry

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Why: Shares unique perspectives, sparks creativity in others, leaves a lasting mark through written work

4.

Math Tutor:

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What: Helps students overcome challenges with math and unlock their potential (problem-solving skills, academic success)

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How: Uses engaging teaching methods, caters to individual learning styles, encourages critical thinking

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Why: Fosters a love of learning, builds confidence in students, creates a future generation of strong problem solvers

5.

Environmental Activist:

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What: Protects the environment and promotes sustainable practices

(conservation, ecological balance)

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How: Raises awareness through campaigns, advocates for policy changes, participates in clean-up efforts

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Why: Safeguards the planet for future generations, inspires others to take action, leaves a legacy of environmental protection

6.

Travel Blogger:

◦

What: Shares travel experiences and inspires others to explore the world (cultural exchange, adventure)

◦

How: Creates engaging content (photos, videos, writing), builds a social media following, partners with tourism boards

◦

Why: Connects people with different cultures, promotes responsible travel, fosters a sense of global citizenship

7.

Professional Chef:

◦

What: Creates delicious and visually appealing food experiences (culinary artistry, customer satisfaction)

◦

How: Develops culinary skills through training and practice, sources fresh ingredients, provides excellent customer service

◦

Why: Nourishes others, elevates food to an art form, shares cultural traditions through cuisine

8.

Yoga Instructor:

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What: Promotes physical and mental well-being through yoga (stress reduction, mindfulness)

◦

How: Creates safe and inclusive yoga classes, caters to different experience

levels, stays up-to-date on yoga philosophy

◦

Why: Empowers individuals to manage stress, find inner peace, build a strong mind-body connection

9.

Cybersecurity Expert:

◦

What: Protects businesses and individuals from cyber threats (data security, peace of mind)

◦

How: Maintains updated knowledge of security protocols, implements safeguards against attacks, educates others on cybersecurity best practices

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Why: Ensures a safe digital environment, prevents financial loss and data breaches, contributes to a more secure online world

10.

Financial Advisor:

◦

What: Helps people achieve financial goals (retirement security, financial literacy)

◦

How: Provides personalized financial advice, implements investment strategies, educates clients on managing money

◦

Why: Empowers individuals to make informed financial decisions, helps secure a stable future, promotes financial well-being

11.

Musician:

◦

What: Creates and shares music that connects with people on an emotional level (artistic expression, joy)

◦

How: Develops musical skills, writes and performs music, builds a following through live performances and online presence

◦

Why: Shares a passion for music, inspires and entertains others, contributes to the cultural landscape

12.

Therapist:

◦

What: Helps people improve their mental well-being (emotional health, personal growth)

◦

How: Uses evidence-based therapeutic techniques, provides a safe and supportive environment, fosters open communication

◦

Why: Empowers individuals to overcome challenges, improve relationships, live fulfilling lives

13.

Graphic Designer:

◦

What: Creates visually appealing and effective communication tools (branding, user experience)

◦

How: Develops graphic design skills, uses design software effectively, collaborates with clients to understand their needs

◦

Why: Helps businesses and individuals communicate effectively, creates a positive user experience, contributes to a visually engaging world

14.

Carpenter:

◦

What: Builds and repairs structures using craftsmanship and skill

How: Maintains a well-equipped workshop, keeps updated on building codes and techniques, delivers high-quality work on time and within budget

Why: Creates functional and beautiful structures that enrich people's lives, preserves traditional skills, contributes to a well-built environment

15. **Early Childhood Educator:** *What:* Nurturing young minds and fostering a love of learning in children (early development, social skills)

How: Creates a stimulating and safe learning environment, uses age-appropriate teaching methods, builds strong relationships with children and families

Why: Sets children on the path to lifelong learning, prepares them for future success, shapes the future generation

16. **Home Baker:***What:* Creates delicious and comforting baked goods for others (sharing joy, culinary traditions)

How: Develops baking skills and experiments with new recipes, sources high-quality ingredients, presents baked goods beautifully

Why: Spreads joy through food, connects with loved ones through shared experiences, preserves the art of baking

17. **Sustainability Advocate:***What:* Promotes environmentally responsible practices in everyday life (reduced waste, resource conservation)

How: Lives a sustainable lifestyle (composting, using reusable products), educates others on sustainability, advocates for policy changes

Why: Protects the environment for future generations, inspires others to take action, contributes to a more sustainable future

18. **Volunteer at a Homeless Shelter:***What:* Provides support and resources to people experiencing homelessness (compassion, basic needs)

How: Donates time and skills, prepares meals, offers companionship and emotional support

Why: Makes a difference in people's lives, promotes social justice, creates a more caring community

19. **Foreign Language Tutor:***What:* Creates opportunities for cross-cultural communication (global understanding, language skills)

How: Develops effective teaching methods for language learning, tailors

lessons to individual needs, fosters a positive and encouraging learning environment

Why: Connects people from different cultures, promotes global citizenship, breaks down language barriers

20. **Fitness Enthusiast:** *What:* Promotes a healthy and active lifestyle for themselves and others (physical well-being, motivation)

How: Maintains a regular exercise routine, participates in various activities, encourages and inspires others to get active

Why: Prioritizes their own health and well-being, sets a positive example for others, contributes to a healthier community

List of Examples

1. Personal Trainer
2. Community Gardener
3. Aspiring Writer
4. Math Tutor
5. Environmental Activist
6. Travel Blogger
7. Professional Chef
8. Yoga Instructor
9. Cybersecurity Expert
10. Financial Advisor
11. Musician
12. Therapist
13. Graphic Designer
14. Carpenter
15. Early Childhood Educator
16. Home Baker
17. Sustainability Advocate
18. Volunteer at a Homeless Shelter

19. Foreign Language Tutor
20. Fitness Enthusiast