



Book It's Not What You Sell, It's What You Stand For

Why Every Extraordinary Business Is Driven by Purpose

Roy M. Spence, Jr. and Haley Rushing
Portfolio, 2011

Recommendation

Advertising agency CEO Roy M. Spence Jr. boasts a client roster of prestigious organizations that promote a purpose as well as a product, including Walmart, the American Red Cross, Norwegian Cruise Line, the American Association of Retired Persons, the PGA Tour and Southwest Airlines. Spence and co-author Haley Rushing of the Purpose Institute explain how Spence’s agency targets, defines and presents each client’s core mission. Spence and Rushing sketch instructive case histories of for-profit and nonprofit organizations. They tell fascinating stories about world-class organizations, the importance of corporate purpose, and adventures in branding and marketing. *BooksInShort* recommends their perceptive methods to businesspeople who want their companies to have purpose and meaning as well as commercial success.

Take-Aways

- Transform your business by prioritizing what you accomplish for other people over what you earn.
- A “noble goal” helps define your organization to your employees, your customers and the world.
- Your staff wants to work for an organization that makes a difference.
- Purpose helps your company live up to its brand and promises.
- Workers become more engaged if their organization seeks to improve the world.
- Most organizations with purpose outpace their competitors.
- Companies with purpose stay grounded in shaky markets and difficult times.
- Such companies inspire their executives, employees, customers and shareholders.
- Organizations without purpose lack focus and will.
- Purpose drives successful organizations such as Southwest Airlines, Norwegian Cruise Line and the American Red Cross.

Summary

Progress with Purpose

The public prefers organizations with a purpose that transcends the profit motive. A company with a purpose meaningfully prioritizes its societal contributions though it still vigorously pursues profits. The rewards for being purpose-driven include dedicated employees, evangelical customers and iconic brands.

“Purpose isn’t everything, but it trumps everything else.”

The essential precept of this model of enlightened capitalism holds that companies should prosper because they improve the lives of their customers. This approach appeals to workers and consumers from the idealistic millennial generation as well as to aging baby boomers. For example, Southwest Airlines transformed air travel into something nearly everyone in America can afford. Walmart offers low prices, but purposefully. Its slogan promises people that they can pay less and live better. Johnson & Johnson’s medical products reduce pain and suffering.

The Benefits of Purpose

Each of these organizations has a clear mission or purpose that makes “a definitive statement about the difference it is trying to make in the world.” A “noble goal” helps define your organization. You, your business partners, your employees and your customers know what your company stands for, where it is going and why.

“We are on the brink of a new model of capitalism that makes money by improving lives.”

Your business and its activities follow a simple, rational construct. A company without an overarching purpose lacks focus and direction; it needs an overriding principle to help guide difficult decisions. You might earn profits, but your business suffers from a dearth of meaning and your employees struggle with an absence of inspiration.

“Frequently, mission statements do not provide a mission, let alone a purpose.”

Many businesspeople think that if they have a sound strategic plan, a solid operational structure and an effective marketing program, they don’t need anything else, including a special purpose. And it’s true that keeping your business essentials in order is the surest path to success. However, you will perform better if you have a defined purpose that inspires you to look beyond business results to the greater positive effects of success.

“Purpose turns employees into evangelists, which turns strangers into customers, and customers into fans.”

If you define your company in terms of its purposeful mission, you will make better decisions, your employees will be more enthusiastic and your customers will be more devoted. Your shareholders and your customers will come out ahead in the long run. Operating purposefully is based on these core principles:

- **“Purposes drive everything”** – Purpose clarifies. In an age when other airlines are raking in enormous revenues from checked baggage fees, Southwest Airlines permits its passengers to check two bags for free. Southwest’s refusal to charge for checked bags has earned it enduring customer and brand loyalty. Nor will Southwest Airlines invest in anything that adds unnecessary costs to its bottom line because that would violate its creed, which is based on providing low-price, efficient service. Consumers recognize and respond to Southwest’s dedication to its purpose. When founder Herb Kelleher went into business, only 15% of Americans had traveled in airplanes. Today, that figure is 85%, thanks in part to Southwest Airlines for making air travel affordable.
- **“Purpose is a path to high performance”** – When firms focus on a definite, worthy purpose, they leave their competitors behind. Sam Walton – founder of the retail chain Walmart – understood that rural people lacked access to retail merchandise and were tired of overpaying for the little they could find, so he created low-price stores in rural areas that were open 24 hours a day to accommodate his customers’ demanding work and family schedules.
- **“Purpose fosters visionary ideas and meaningful innovation”** – The people at Pampers decided early on that they wanted to do more than keep infants’ bottoms dry. Their vision included improving child health and helping mothers create the best possible lives for their babies. Pampers accomplished this goal via different paths, including a partnership with UNICEF and research into how much sleep a healthy baby needs. Its outreach programs enabled Pampers to become the first Procter & Gamble product to become an “\$8 billion brand.”
- **“Purpose moves mountains”** – When Bob Lanier became chairman of the Texas Highway Commission in 1982, he faced a daunting task. Texas’s roadside litter was growing 17% a year. Lanier recruited author Roy M. Spence Jr.’s ad agency to develop a message to dissuade Texans from littering. The slogan “Don’t Mess with Texas” resonates with Texans’ pride in their state. This witty wordsmithery worked so well that litter on highways in Texas decreased by 70% during the following five years.
- **“Purpose will hold you steady in a turbulent marketplace”** – Market changes force executives to adapt and readapt their strategies and tactics. But a defining purpose gives your company a reliable road map to follow without having to react to every competitive blip. A purpose enables your company to view every market development through the filter of its core values.
- **“Purpose injects your brand with a healthy dose of reality”** – Consumers quickly abandon products and services that do not live up to their branding. In Texas, the locals reserve a saying for people or companies who exaggerate their capabilities or do not deliver on their promises: “That cowboy is all hat and no cattle.” Companies with purpose don’t have to worry about misperceptions or empty promises. Their purpose – not their advertising – drives their activities and keeps them grounded.
- **“Purpose recruits passionate people”** – Employees want their work to be inspirational and meaningful. Purposeful organizations have no trouble finding and hiring passionate applicants who believe in the company. For example, Healthways develops enlightened health care plans for consumers and is one of the fastest-growing companies in the US. Its purpose: “Creating a healthier world, one person at a time.”
- **“Purpose brings energy and vitality to the work at hand”** – Studying corporate America, Gallup identified the main attributes of engaged, enthusiastic employees. One of the most important is a worker’s “sense of belonging”: Staffers are more motivated if the purpose of their company makes them feel their job is important. If you give your employees a purpose they can believe in, they will be excited about coming to work every day.
- **“Purpose contributes to a life well lived”** – Today’s employees need to spend their time doing work they find significant and vital. This is particularly true for young people who are not inclined to trade their workweek for a paycheck; they want their efforts to contribute to a larger purpose.

“Find the Thrill”

Companies with a purpose make a difference in ways their competitors cannot match. Such missions emerge from enlightened visions that excite the firms’ founders, employees, customers and shareholders. For example, the purpose for Charles Schwab’s eponymous firm is to take the mystery out of investing so anyone can participate in the stock market.

“Purpose drives an entire organization and it answers why the brand exists.” (Jim Stengel, former global marketing officer, Procter & Gamble)

To find that necessary thrill, ask your most devoted employees what excites them about their work. Search for under-the-radar market opportunities that your competitors overlook. Identify important causes that need a champion. Seek to discover where you can do the most good. Find consumers your competitors don’t target, and determine what they will find compelling that you alone can deliver. Whichever road you travel, understand that all paths originate at the same point: the customer.

“Have the Will”

Besides a thrilling goal, you need the will to make things happen. You and your colleagues must discuss how you can turn your vision and purpose into reality. First,

make sure that your operations align with your visionary goal. Reduce your risks by conducting a “purpose audit” to determine which of your organization’s practices might keep it from attaining its purpose. Develop your infrastructure to support – and never interfere with – that purpose.

“Ignite the Passion”

Be passionate about your purpose, and spread that passion throughout your organization. When your customers perceive your purpose and the value of your offering, they will become evangelists for your brand. Conversely, their excitement will further inspire the fervor of your employees, creating a positive reinforcement loop. Always set a high bar for your purpose.

Mission-Driven Organizations

Respected, mission-driven organizations that benefit from working with a purpose include the following:

- **Walmart** – Sam Walton built his empire on a slogan that defined its purpose: “Everyday low prices on the brands you can trust. Always.” This told consumers that Walmart did not sell second-rate brands, and that low prices were a constant. Purpose is now Walmart’s fourth P, joining the firm’s traditional 3Ps: “products, pricing and people.” Because of its buying power, Walmart reduced the price of many generic drugs to \$4. This helps elderly people on fixed incomes who rely on medication.
- **Norwegian Cruise Line** – This popular cruise line features “freestyle cruising,” which gives passengers flexibility to eat when and where they want, to wear whatever they choose and to follow their own schedules during their cruise holidays. This “go your own way” philosophy – and purpose – differentiates NCL from most cruise lines that assign dining room seats to their passengers, insist on dress code and otherwise make passengers conform to what is most convenient for the cruise line. NCL posts only these messages for their passengers: “Dinner will be served promptly at whatever o’clock”; “You must board. You must disembark. Thus ends the list of ‘musts’”; and “Our dress code: Wear something.”
- **The American Association of Retired Persons** – AARP champions senior citizens, constantly working behind the scenes on their causes and lobbying in Washington on their behalf. This mammoth organization – 35 million strong – strives to improve the lives of its members and supplies them with discounts on a range of items. These services prove the truth of AARP’s slogan and purpose: “The power to make it better.”
- **The American Red Cross** – This famed nonprofit organization offers many services, including disaster relief, safety and health education. It helps men and women in the military, gives assistance to people in trouble around the globe, and maintains an adequate blood supply for Americans. The purpose of the American Red Cross is “Empowering people in America to perform extraordinary acts in the face of emergency situations.”
- **The American Council on Education** – This nonprofit promotes US higher education, including Ivy League colleges, community colleges, state universities and other secondary education institutions. With the US slipping backward in education – America now ranks 16th among member nations of the Organization for Economic Development and Cooperation in students graduating from high school, and 12th in students completing college – ACE has a monumental purpose: “Transforming lives for the betterment of society. One discovery, one student at a time.”
- **The PGA Tour** – The Professional Golf Association Tour, with its strict code of conduct and its dedication to sportsmanship, remains as admirable today as it was decades ago. The PGA Tour’s purpose is to be the exception in sports, and any behavior that might put the integrity of the game into question meets with severe scrutiny. People respond to the PGA’s purpose with passion. One volunteer, Phyllis Wade, has worked at PGA tournaments for 60 years.

About the Authors

Roy M. Spence Jr. is chairman and CEO of GSD&M Idea City, a marketing communications and advertising company that has helped grow some of the world’s most successful brands. *Texas Monthly* named him “Adman of the Century.” **Haley Rushing** co-founded the Purpose Institute along with Roy Spence. The Purpose Institute is an organization dedicated exclusively to helping clients discover and articulate their purpose and values.
