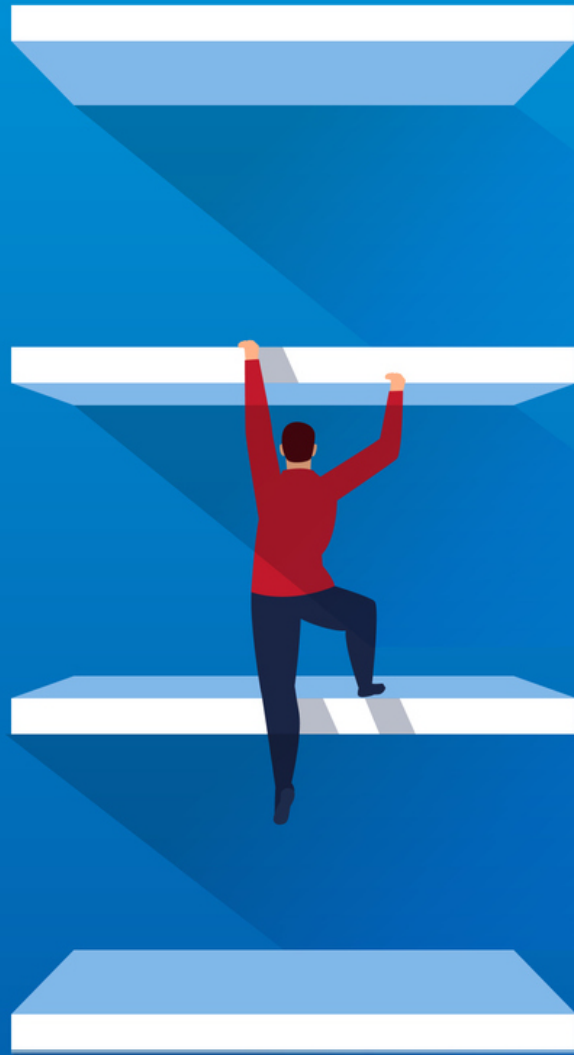


BattaliaWinston



**PURPOSE DRIVEN**  
ORGANIZATIONS EXCEL

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## EVERY CEO AND/OR SENIOR OFFICER HAS 4 THINGS ON THEIR AGENDA: **RAISE REVENUES, CUT COSTS, MAXIMIZE THE EFFECTIVENESS OF HUMAN AND CAPITAL RESOURCES AND STAY OUT OF JAIL.**

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Boards and CEOs have a fiduciary responsibility to enhance shareholder value. Private equity firms focus on building enterprise value, and line managers work their hearts out to hit their numbers and earn bonuses. The paradox is how many organizations actually minimize their profits or destroy them altogether by focusing on them.

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### *The right focus*

*The best and brightest leaders we are studying today, leaders that have learned how to build*

*Purpose-Driven Organizations, believe that focus on profit maximization is a surefire recipe for sub-standard profit performance. Focusing on profit for profit's sake leads to low employee engagement, excessive employee and customer turnover, and, ultimately, enterprise value sub-optimization. Much like the game of golf, where you're supposed to swing slow to hit hard, hit down to make the ball go up, the harder you try to maximize profits, the worse they'll become.*

While every business needs good management and a profit motive in order to prosper, leadership is necessary to build a powerful culture. There is plenty of compelling evidence to suggest the most effective way to maximize business profits and enterprise value may actually be to minimize their importance. The fact of the matter is that you need every single person on your payroll to be engaged and working hard toward your business objectives in order to achieve them; and you don't get that kind of engagement without leadership. You also need customers to whom you deliver real value, and who believe that you stand for something that resonates with them in order to consistently grow revenues and market share. Neither profit maximization nor enterprise value improvement is sufficient to engage a workforce, and they certainly won't inspire customers.

*It is an absolute myth that focusing on Purpose requires too much capital or that enhanced enterprise value takes years to realize. You, as a leader, can decide TODAY to start the journey of discovering Core Purpose, and the day you make that decision is the day you'll start to see improvements. Your results can improve quickly, as we've seen in many of the organizations we've studied. It's also a myth that the Power of Purpose only works in customer-facing businesses, private companies, or certain capital structures. If you're trying to build enterprise value and maximize shareholder return, Purpose is the great multiplier. It is also the key ingredient in the ONLY sustainable competitive advantage on earth: culture. Operating with Core Purpose does something the best strategy on earth can't do. Core Purpose unifies all stakeholders to achieve something bigger than just making money. Operating with Core Purpose, and the corresponding mission, vision, and values that flow from it, creates a powerful culture that cannot be copied, and culture, quite simply, eats strategy for breakfast.*

Jim Collins, Roy Spence, and others have written about the power of culture and Purpose for quite some time. Built to Last, published in 1994, spoke of culture and Purpose, and the notion seemed to get a little traction. Today, we hear very little about it. It seems that most of us have forgotten, if we ever really knew, how to build a culture that unleashes the full potential of our organizations so they really can deliver sustained and predictable business results.

*The fact of the matter is that you'll need ALL of your employees, not just the board, shareholders, and leadership team, to generate long-term sustainable financial results. Employees join Purpose-driven organizations because they want to make a real difference and they know their employer will provide the atmosphere, esprit de corps, support, and culture to do so.*

*And just so you know, Purpose is going to become increasingly important. Generation Y and Millennials, born after 1976, are already in charge of much of our world, and they're becoming more and more influential as the years race by. Times are changing fundamentally. Baby boomers, born to traditional parents who lived through the Depression, would work like crazy to move up, make money, and live the American corporate dream. Gen Yers and Millennials work to make a difference and to make the world a better place. We can all embrace this fact.*

Once Purpose has been established, it is a filter through which an organization evaluates every opportunity, every initiative, every acquisition, every policy, every hire, and every expenditure. For example, Southwest Airlines does not spend a dime, embark on a new campaign, hire an employee, add a new revenue stream, or reduce an expense unless doing so supports their Purpose of democratizing the skies: providing a pleasurable flying experience for as many people as possible at the lowest possible cost.

The good news is that while building a Purpose-driven culture is not necessarily easy, it's not all that complicated. It starts with a decision to begin a journey and a commitment. It's not a destination, an implementation, a rollout or something you can ever stop.

***Clear Purpose and mission is where it all starts*** - supported by strong values, a strategy, and operating plans, including compensation, aligning the interests of all stakeholders. Building and maintaining a powerful, Purpose-driven culture is much like maintaining a powerful body and good health. You have to do regular checkups and make the necessary adjustments.

Much like checking blood pressure and bloodwork, in healthcare organizations we have to check cultural imperatives like **leadership, communication, agility, teamwork, challenging the status quo, and customer focus.**

*If you are interested in learning more how to apply the principles of a Performance Driven Culture to your organization, please contact me and we'll share our research and results with you.*

