



To Lead With Purpose, You Must Know Your Company’s “Why”

By Colleen Murray

Most leaders know their businesses needs to stand for something, but often resort to marketing firms to generate mission statements that quickly fall flat. These initiatives fail when businesses aren’t truly able to articulate their purpose—their reason for existing in the world beyond making money. This article outlines how to uncover a purpose that is authentic and worth the investment.

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Many companies feature their mission statement—their corporate vision—on their websites. But these don’t often articulate an organization’s greater “why.” And that “why” can be a massive unlock to growth, if done right.

In today’s world, people don’t just buy things, they buy into things. Most leaders today already see this shift in a new generation of consumers who vote with their dollars and among top talent and employees who prioritize finding meaning in their work. In this environment, companies are liable to pay a price for perceived inauthenticity or cowardice. When alternatives abound, people want companies to tell them why they should choose them. To navigate this market shift, companies need to articulate a clear and expansive reason for the company to exist beyond just making money. They need a clear purpose.

So why are so many companies struggling with their “why?”

It's not for a lack of effort. They're hiring marketing firms that customer-test their way to a nice-sounding but hollow purpose statement—or push buzzy ESG initiatives that aren't tied to a bigger strategy. Ultimately, these efforts fail to resonate with employees or convince customers because they aren't an intrinsic part of a company's identity, strategy, and operations.

When the right purpose is activated, it provides a strategic filter for decision-making and a north star in times of uncertainty. Think of Patagonia's founder proclaiming that the company's profits will be used to “protect our home planet” as opposed to enriching shareholders. Or Harley-Davidson's championing the “timeless pursuit of adventure” and “freedom for the soul” creating a deep tribe of riders.

The trick to unlocking purpose is to start by focusing on articulating what makes you great. It may seem simple and yet, leaders today are often taking quite the opposite approach.

To avoid that misstep, here are three foundational principles for homing in on a powerful purpose statement:

Discover, Don't Invent

Here's a little secret about purpose: It's already there but maybe just not articulated. Real purpose is already embedded in the beliefs, practices, and culture that companies nurture. Purpose reveals itself in the way you work with customers or treat employees or make everyday decisions. But a purpose statement created on a whiteboard during a brainstorming session? It may sound beautiful, but if it's not true, it may end up as just words on a wall.

Pay attention to a company's origin story and moments of greatness. Digging into your company's past, you may recover a distinctive business principle or practice that shaped the company's identity in subtle but powerful ways.

With the looming threat of digital disruption from retail giants like Amazon, Target set out to define its reason to exist in the world. By listening to team members, Target leaders heard stories over and over again about when Target was at its best; like how Target is the place where people go on their payday to create joy for their family in little ways. Stories like these led to Target's purpose: “To help all families discover the joy of everyday life.” Because it was anchored in the reality of who Target is, the statement quickly became a rallying cry for team members, sparking a new era of customer centricity and joy for guests everywhere.

Grow from the Inside Out

Leaders tend to look outside first, relying on customer surveys regardless of whether what the customer says they want and who the company is matches up. But purpose isn't about marketing. In the age of extreme transparency and authenticity, it's easy for customers and employees to figure out if a company really believes its messaging. A quick Google search will tell you that Unilever promotes both real beauty in women through Dove and objectification of women through Axe.

Anchor in what the company is already. After all, to have gotten this far as a company, something good must be there. A great purpose statement starts by referencing your best days so every day can be more like your best. Conversely, those horrible days caused by missteps that folks identify as violations of company culture are great clues to what a company cares about—and what it doesn't.

Start by listening to people at the company who understand it best. Though executives may understand how the business works at many different levels, they're viewing a company at 30,000 feet. You should also then listen to leaders who are new-ish to the organization and discover what attracted them to the business. And talk to the "lifers" at the company, whether they're in senior positions or, even better, if they aren't. Hearing from a mix of levels and tenure allows you to get at something real and relevant.

Articulate Why, Not What

A purpose statement should state why you are in business, not what you do or who you do it for. Articulating this helps to create endurance. A great purpose statement might last 10 or 20 years, whereas a true "why" can stay with the company as it changes and expands.

Imagine if Google had said it wanted "to be the world's best search engine" rather than "to organize the world's information?" We probably wouldn't have gotten Android phones. And if Universal Music Group's goal "to shape culture through the power of artistry" limited its reach to music—already in the company's name—it may have never occurred to the music label giant to create the Human Artistry Campaign to deal with AI today.

Articulating a company's purpose statement through appreciative inquiry and rigorous qualitative analysis—doing it right—might end up feeling a bit anticlimactic. Because what's been discovered should feel obvious, but, ultimately, deeply resonant. It doesn't have to be unique or snappy. It just has to be true. That's when it all comes together. Once you've articulated your purpose, you can use it to stand apart in the marketplace, reward shareholders, inspire customers, engage employees, and create a lasting impact on the world.

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