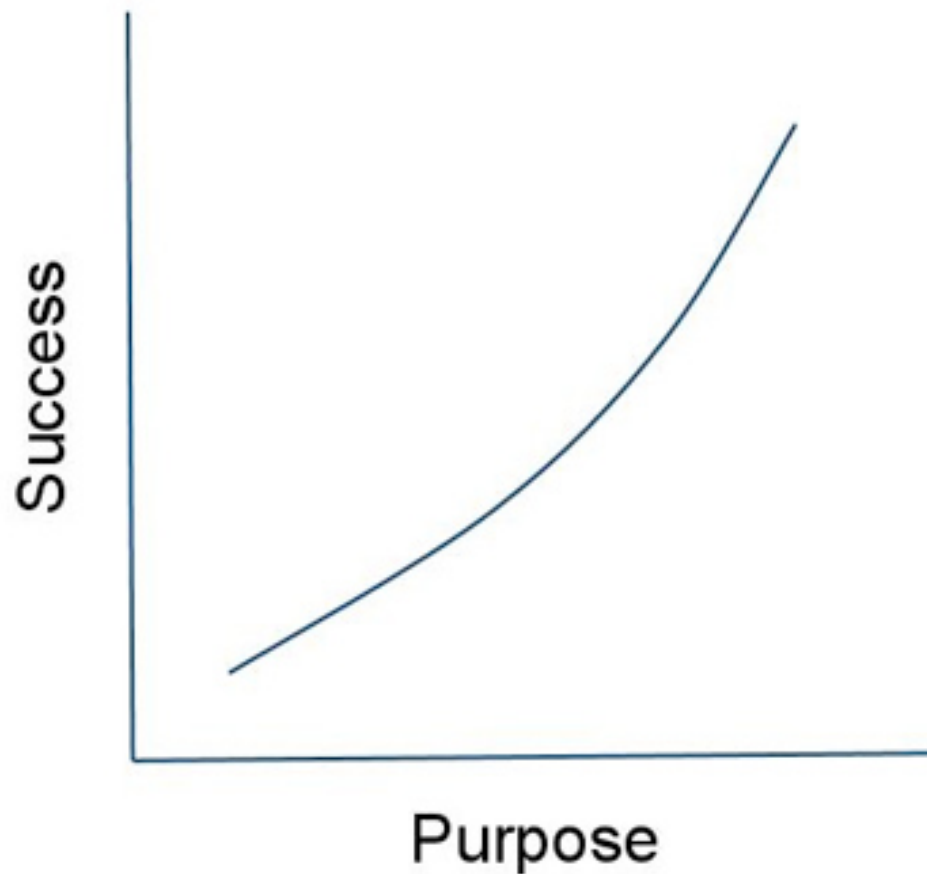


The Product Is The Purpose

By Zach Olsen



At the heart of every great company is a clear sense of purpose. Something the business stands for. The thing that makes the business inspiring and remarkable. The definitive statement about the difference they are trying to make in the world. ⁱ

Sometimes companies come to the painful realization that what they perceive as a product, marketing or people problem is really a purpose problem. People aren't shown how to serve, examples of shoddy work are ignored, there's no connection to a simple mission that resonates. The knee jerk reaction for most companies is to focus more on wringing out the inefficiencies in the process, innovating on features and benefits (more of them and better ones) and increased sales and promotions. Consequently, the business floats aimlessly.

In this eBook it is my goal to prove that **focusing on purpose** will improve business effectiveness, employee retention, customer loyalty and increased sales faster than focusing on process, employees, customers or product will.

"If we want to know what a business is, we have to start with purpose. And its purpose must lie outside of the business itself. In fact, it must lie in society since a business enterprise is an organ of society.....profit is not the explanation, cause or rationale of business behavior and business decisions, but the test of their validity"

-Peter Drucker

It's no longer just enough for people to believe that your product does what it says on the label. They want to believe in you and what you do. And they'll go elsewhere if they don't.ⁱⁱ Customers and clients increasingly prefer to support companies whose values are consistent with their own. **The primary job of an advertiser is not to communicate benefit, but to communicate conviction.** Conviction comes with a sense of purpose.

This has become even truer since the Great Recession, which destroyed millions of jobs, trillions of dollars in wealth, and caused a huge set back for countless Americans. Yet it has rejuvenated a sense of personal purpose and purpose driven purchases. The book *Spend Shift: How the Post-Crisis Values Revolution is Changing the Way We Buy, Sell, and Live*, explains how America is undergoing a radical but ultimately positive shift in consumer values. People are deploying their dollars in a more calculated and strategic way to influence institutions like corporations and government. They realize that how they spend their money is a form of power, and they are using it to communicate their values and reward those companies that truly reflect them. "In other words," explains author John Gerzema, "they are using their ever-more-precious dollars to buy a better experience, a better community and a better world." According to their data

55% of all Americans are fully part of this undeclared movement.

Not only do people want more purpose behind their purchases, new technologies are facilitating that desire. The Internet allows people to research companies with ease and only purchase from sellers who meet their standards. The ability for consumers to trade information online instantly about products and services that do or don't share their personal purpose is unmatched in history.

Consumers are aligning their values with their spending to force capitalism and business to not just be about more, but about better. To quote author Tony Gerzema, "**We are entering an era where values define consumerism.**" The demand that built the largest consumer economy in the world will now prefer better instead of more. With a clearer understanding of their necessities, consumers can reconstruct capitalism to be a creative rather than a destructive. To bring greater value into the world we live in and offer us the opportunity to connect with companies that share our beliefs."

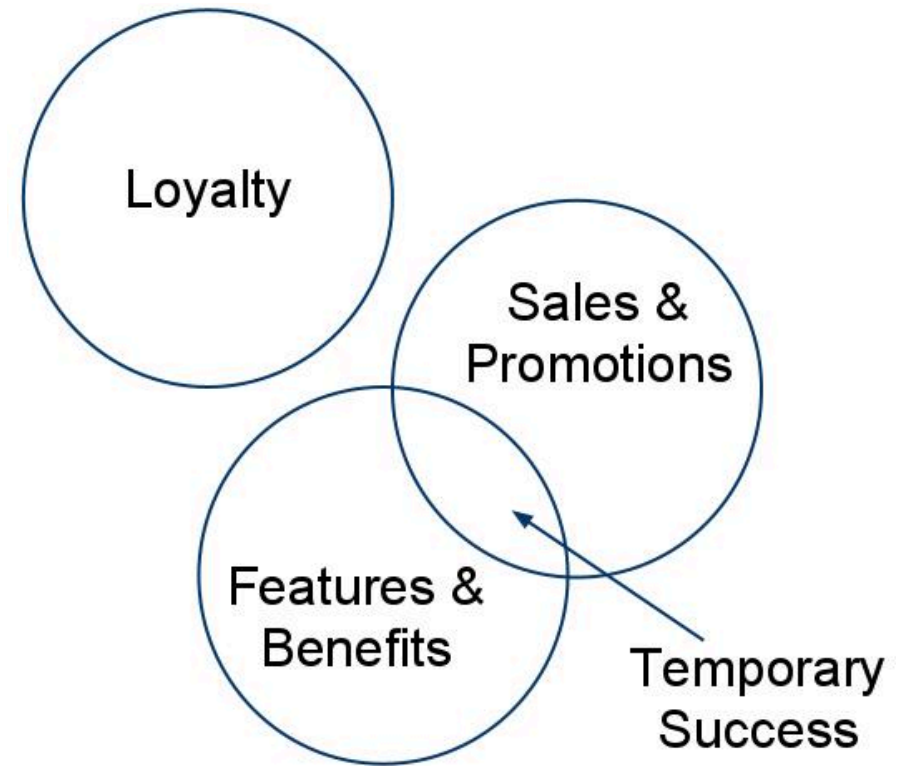
Of course people have always bought based on values and purpose, the recent economic crisis has just brought it closer to the surface. In this book, *Start With Why*, Simon Sink explains that making decisions based on

purpose is hard wired into our brains. The problem is that the section of the brain that controls our feelings, the limbic brain, also has no capacity for language. That's why putting into words how we feel is so difficult.

Decisions made with the limbic brain, also called gut decisions, tend to be faster and higher quality decisions. Ask someone why they made a decision and they will say that it *felt* right. Our biology complicates our ability to verbalize the real reasons we make the decisions we do so we rationalize based on more tangible factors like design, service or color. This is why it's natural for marketers to put so much emphasis into features and benefits – that's what people say they want. These things matter so far as they provide us tangible evidence we can point to to rationalize our decision-making but they don't inspire behavior.

The limbic brain responds to emotion. Speaking in features and benefits to the limbic brain is like your second year of Spanish: You've memorized the vocabulary, but it's hard to think in the language. If you've ever set an alarm clock across the room to force yourself out of bed and prevent snoozing, you know exactly how hard it is to have the rational side of us overcome our emotional desires. When businesses force people to make decisions only with the rational part of the brain they end up overthinking. **Companies fail when they give customers all the data and none of the emotion.**

Give the customer a sense of purpose and that purpose will connect to the emotional, decision-making side of the brain.



While we have significant global issues to be concerned about, a business with purpose doesn't have to be grandiose or socially driven in order to be important, it just needs to be understood. General contribution to the well being of another human being is worthwhile. It could be a gym that's creating jobs and leaving customers just a tad bit happier and healthier than when they arrived. Simply put, it's the definitive statement about the difference they are trying to make in the world.

A good purpose should cause a movement. People who identify themselves with having a certain purpose want to be connected to other like-minded people, and that's when the brand works to become the connecting point.

Once a strong purpose is identified, you can put a stronger stake in the ground by telling customers what it is you are against. Politics have shown that it's far easier to rally people in opposition to a cause than for one. Being opposed to something — excess, bad design, mean people — can help people identify with the brand.

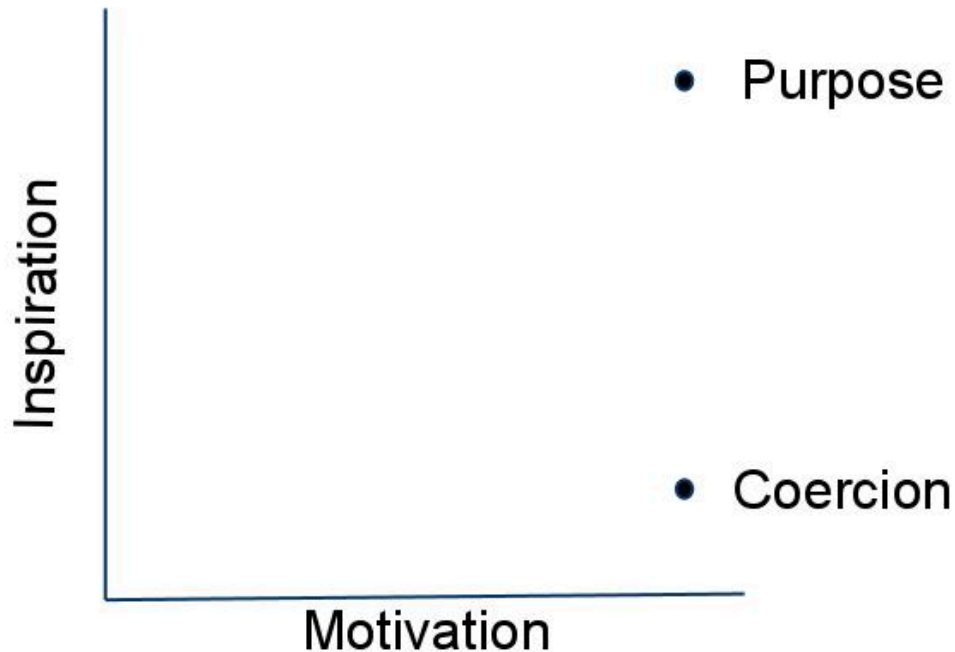
Growth isn't a purpose; it's a result of the purpose.

You can create shareholder value as "exhaust" by focusing on an alternative mission, one that is closer to real problems faced by real people.ⁱⁱⁱ One of Google's founding principals is, "Focus on the user and all else will

follow." They explain that, "since the beginning, we've focused on providing the best user experience possible. Whether we're designing a new Internet browser or a new tweak to the look of the homepage, we take great care to ensure that they will ultimately serve you, rather than our own internal goal or bottom line."^{iv}

Victor Frankl, in the book, *Man's Search For Meaning*, said, "**Don't aim at success - the more you aim at it and make it a target, the more you are going to miss it. For success, like happiness, cannot be pursued; it must ensue, and it only does so as the unintended side effect of one's personal dedication to a cause greater than oneself**". Focus on purpose first and revenue will follow.

The traditional mission statement is not a purpose. When it is done well it can be a purpose statement but today's mission statement has become little more than a descriptive statement about what the company produces and some aspiration to be the best in the world at it. Mission statements focus on how, purpose focuses on why. You can still keep your current mission statement and use it to explain how you are going to go about fulfilling your purpose if you want to, you just need to write down your purpose separately.

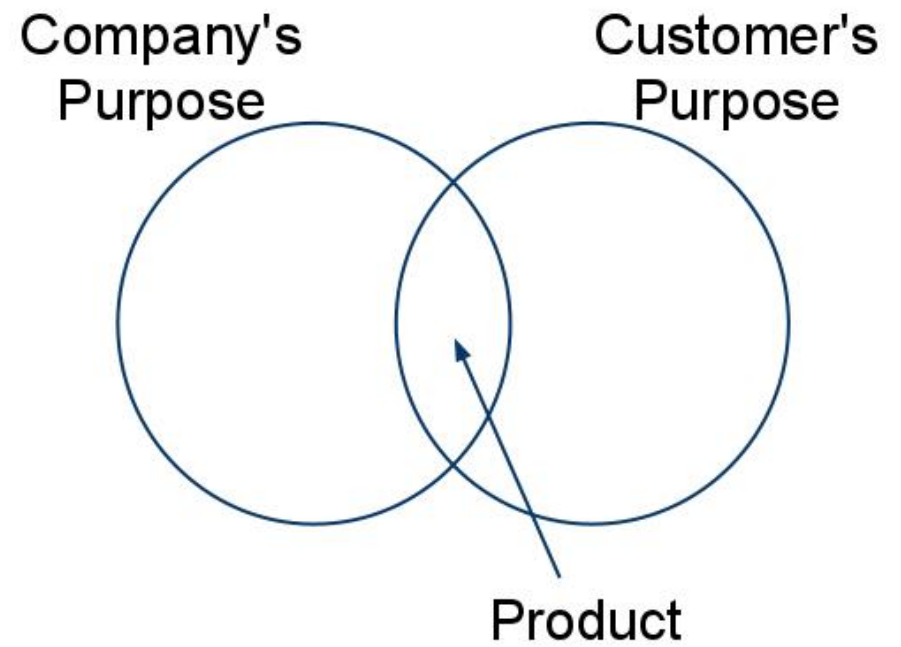


There is a difference between inspiration and motivation. Purpose based companies inspire, all other companies motivate. When someone tries to motivate you, nine times out of ten they're pushing you to do something you don't really care about. **Motivation is external, inspiration is internal.** When you're inspired you naturally do what feels best. An inspired customer is a loyal one. An inspired customer also becomes an evangelist who naturally rallies for your cause, spreading the much-needed word of mouth.

There is a difference between repeat business and loyalty. Loyalty is when people are willing to turn down a better product or a better price and continue doing business with you. Repeat business is easily won, loyalty is not. Manipulations like sales, discounts, rebates and limited time offers cause repeat business and are an addiction. There is no question that these manipulations work. Over the course of time they cost more and more and the gains are only short term. Like any addiction, the drive is not to get sober, but to find the next fix faster and more frequently.

Products are a symbol for what the company and buyer believe. People are already loyal to the purposes they believe in; companies that focus on purpose give those people a way to manifest it. For example, there are a lot of us who believe in challenging the status quo. Apple helps us manifest that belief when we open up our Apple laptops in public places. We like letting everyone know we use a Mac. It's an emblem or symbol for who we are. The Apple logo speaks to something about us and how we see the world. Products with a clear sense of purpose give people a way to tell the outside world who they are and what they believe. What you do needs to prove the purpose you believe in. Without a purpose you are forced to compete on price, service, quality, features and benefits; the stuff of commodities.

Apple's cause or belief has nothing to do with what they do. What they do – the products they make from computers to small electronics – no longer serves as a reason to buy, they serve as the tangible proof of their cause. When a company defines itself by what it does, that is all it will ever be able to do.



What business are you in?

Are you in the apparel business or are you in the self esteem business?

Are you in the restaurant business or are you in the making memories business?

Are you in the software business or are you in the unleashing human potential business?

Purpose businesses adapt. The railroad business was obsessed with being in the railroad business. This narrow perspective influenced their decision-making - they invested all their money in tracks and crossties and engines. But at the beginning of the twentieth century a new technology was introduced: the airplane and all those big railroad companies eventually went out of business. What if they had defined themselves as being in the mass transportation business? Perhaps they would have seen opportunities they would have otherwise missed. Perhaps they would own all the airlines today.

What other industries reflect the railroad in their inability to adjust their business model to fit a behavioral change prompted by a new technology? The music industry, newspapers and television come to mind. These are all struggling to define their value while watching their customers turn to companies from other industries to serve their needs.

Could the music industry have invented iTunes instead of a computer company if they had a stronger sense of purpose? A business based on changing lives through music rather than selling CDs?

Purpose Is Leadership. Leaders who rely on charisma fail, leaders who lead based on purpose succeed. They teach their followers the purpose and allow them to govern themselves. Leaders are effective to the extent that they express effective purpose. **Charisma is usually considered an important part of being a leader but charisma is born out of purpose.** A lot of people think that to be an effective leader, you have to get people to do what you want them to do. But truly great leaders don't use their positions to coerce people into doing the work that needs to be done - they inspire commitment by appealing to the fundamental desire for work that has meaning.

Leaders need to focus on making purpose permeate the organization. Rackspace is a good example of using language to perpetuate their purpose. They embrace the term "Fanatical Support" and then that term is driven into every communication. They also give out the "straightjacket award" to the customer support person whose actions are so over the top people call them crazy.

“If you study the people who participate in dynamic leadership relationships, you will find that the majority of them never set out to be great leaders. Rather, they set out to pursue a purpose, a cause, or a calling that was worthy of giving it everything they had—in some cases, even their lives! Their power is the power of purpose. Whether it’s chasing an exciting new opportunity or fighting an injustice, their belief in the cause gives them the strength to persevere when they come up against seemingly insurmountable odds. On their efforts to build relationships and rally people around the cause, they are engaging in the act of leadership.”

-Kevin Freiberg

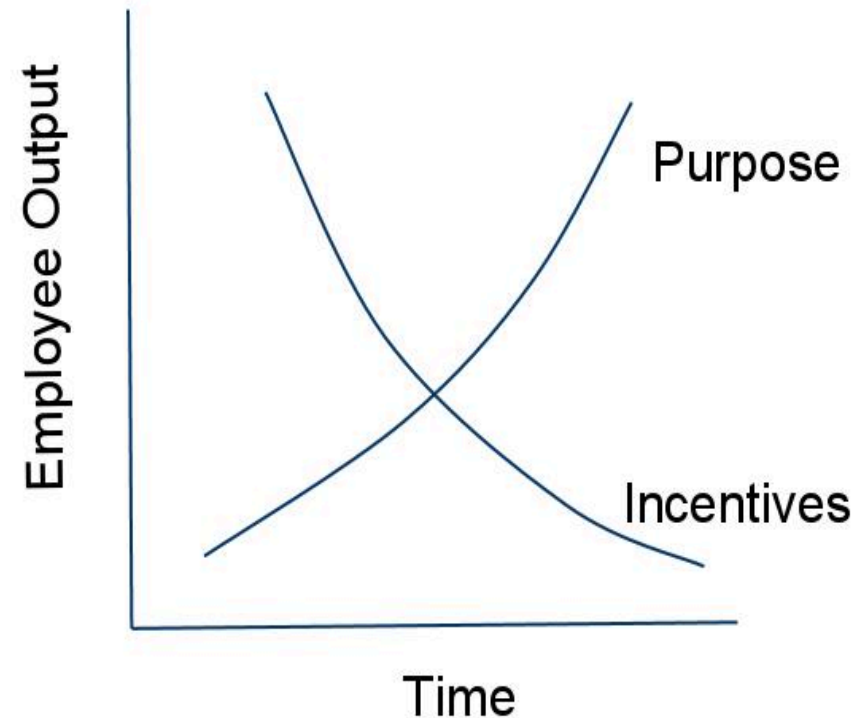
To quote Stephen Covey, “No management success can compensate for failure in leadership.” Or in other words, no strategy or product can compensate for failure in purpose. It’s management that focuses on the how. It’s up to the leader to develop the why. Management works on the packaging, the process or your Facebook page. All these things are like organizing deck chairs on the Titanic unless the customer and business have bought into the purpose of the organization. Stephen Covey also said, In *The 7 habits of highly Effective People*, “Management is going up the ladder as efficiently as possible, leadership is making sure the ladder is up against the right wall.” A lot of businesses go to work on improving inefficiencies and strengthening processes, but without first focusing on their purpose, or what wall they’re leaning up against. Focusing on how before why will cause a frantic atmosphere and unsustainable success.

Purpose Attracts and inspires employees who share your purpose. By clarifying the company's true purpose, "how it makes a real difference in the lives of others", and then connecting that purpose to the employees, you will be able inspire employees in a more meaningful, lasting way.

The effects of purpose, or lack of, can easily be seen in the workplace where multiple studies show that sense of purpose leads to higher job satisfaction. Peter Warr, Professor of psychology says that "to be happy at work people need variety in what they do, discretion in how

they do it and a belief in the purpose of the enterprise."^{vi} The difference between drudgery and contribution is a sense of purpose.

People feel far more committed to companies whose values and mission they find inspiring. Purpose will motivate employees better than carrot-and-stick incentives ever will. The source of human energy and creativity can be found in the distance between where we are and where we'd like to be.^{vii}



Purpose is Marketing. Purpose touches every part of an organization and that means it touches every part of the customer experience. Purpose driven marketing speaks for us, all other marketing speaks at us. Purpose driven marketing inspires us, all other marketing manipulates us.

Plenty of people can make something cheaper than you can, and offering a product that is measurably better for the same money is a hard edge to sustain. All businesses and products are founded on purpose. **The atoms are secondary.** People don't buy the product, they buy the way the buying process makes them feel^{viii}. The way you feel when you buy is the product.

People don't buy food at Whole Foods, they buy an experience, community, and a feeling that they are helping the environment and being healthy. Moms don't buy Baby Einstein movies to entertain their kids, they buy peace of mind that when they sit their kids in front of the TV, they aren't bad parents.

It's all about giving people a way to connect to that feeling that validates what they already knew about themselves. Stories, not features and benefits, are what spread. Don't talk about what you sell, talk about what you stand for.

Watch this commercial that was part of the “Think Different” campaign by Apple:



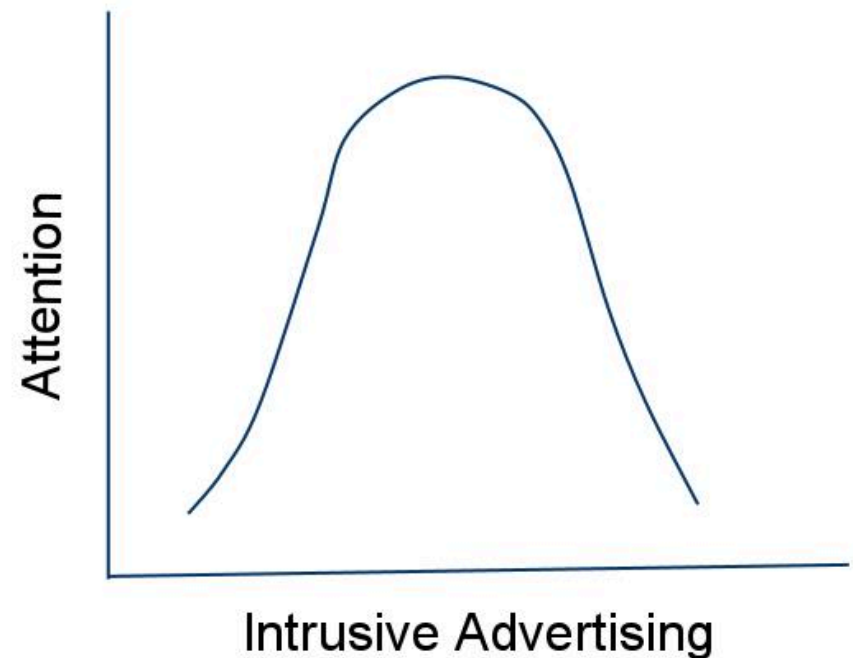
<http://youtu.be/4oAB83Z1ydE>

Notice anything different about this advertisement selling computers? It didn't mention computers. Not once. Nor did it mention speed, durability, screen resolution, quality, innovation or any other benefit Apple computers have. And yet the campaign is credited as the beginning of Apple's re-emergence as a technical giant. Steve Jobs said: “It only took 15 . . . 30 . . . maybe 60 seconds to re-establish Apple's counter-culture image that it had lost during the 90s”.

To a lot of marketers, integration, or consistency of message is very important to a brand, to ensure that the visual identity of the brand is consistently expressed throughout all mediums. **Focusing on purpose allows the company to not only focus on integration, but to create opportunities to deliver multiple dimensions of that purpose.** The purpose unifies all interactions with the brand. Look at all the ways the customer interacts with the brand and find the highly influential areas like store environment, product design, customer service or environmental practices that affect how the brand is perceived and inject them with purpose.

Technology has allowed consumers the ability to avoid advertising more than ever before. The gut reaction of many advertisers is to try and find more intrusive and unavoidable methods of reaching people. The point is not to spend more money finding sneakier ways of forcing people to fixate on your brand, the point is to create ideas that are so intriguing, entertaining, persuasive and relevant to the people you are trying to reach that, as Roy Spense describes, you are invited into their lives^{ix}. **What idea is more intriguing, entertaining, persuasive and relevant than one's own purpose?** People will accept marketing when it helps them perpetuate their purpose.

The goal of marketing should not be to do business with anyone who simply wants what you have. It should be focused on the people who believe what you believe.



Purpose unleashes creativity.

With a purpose in place, decision-making becomes easier. All challenges, opportunities and threats are examined through one unifying worldview. **Any opportunity or challenge can be seen through the lens of your purpose.** You can ask yourself, “If this the right thing to do given our purpose? Does it further our cause?” Creativity isn't a result of thinking anything is possible. Creativity comes from constraints. The constraint of your business purpose will open the floodgates of innovation and creativity. Innovation designed to facilitate a core purpose in new and exciting ways is where meaningful progress is made. How can you deliver your purpose in new ways? How can you translate your purpose to new audiences? Purpose will guide the creation of products, services, and experiences that matter to people and face the realities of the current market situation and address them with powerful and persuasive messaging. Purpose will widdle down everything the company is doing and only focus on what is most important.

Purpose unifies. It is impossible to teach employees what they should do in every situation they face. There are not enough rules and enough time in the day to explain what someone should do for every different possible circumstance - whether it's how to react to a

unique customer complaint or how to decide if a salesman's product fits the business. In this environment employees need to know purpose. With purpose they will have a basis to know how to react to every customer question and how to know what they should do in every business circumstance.

The most successful entrepreneurs and leaders say their secret is that they trust their gut. The times things went wrong, they will tell you, “I listened to what others were telling me, even though it didn't feel right. I should have trusted my gut.” The gut decision is a good strategy but it doesn't scale beyond the individual. When success necessitates that more people be able to make decisions based on feeling right, they need purpose. With purpose clearly stated in the organization, anyone within the organization can make a decision as clearly and as accurately as the leader. The purpose provides a clear filter for decision making for everyone.

When can you tell if a business is lacking in purpose?

Here are a few symptoms:

- 1. Looking to the competition to decide what to do rather than navigating by your own sense of what's right.**
- 2. Ad campaigns change dramatically every year or so.**
- 3. Decision making criteria is thrown out by anyone with an opinion.**
- 4. Heavy reliance on sales and promotions.**
- 5. There is a flurry of activity and an abundance of busyness but it all feels frenetic, disorganized, chaotic, harried and maybe even meaningless.**



Hi I'm Zach Olsen, If you liked this eBook please share it with others.

You can read more stuff I have written at ByDataBeDriven.com.
Thanks!

ⁱ Roy Spence, It's Not What You Sell It's What You

ⁱⁱ Hugh MacLeod, The Hugh Train

<http://gapingvoid.com/2004/06/27/the-hughtrain/>

ⁱⁱⁱ http://www.avc.com/a_vc/2011/04/mission-based-businesses.html

^{iv} <http://www.google.com/corporate/tenthings.html>

^v <http://www.illuminatedmind.net/2010/10/25/inspiration-vs-motivation/>

^{vi} The Joy Of Work? Jobs Happiness and you,
New York: Routledge

^{vii} Purpose Bigger Than Product, Anthony Tjan
<http://blogs.hbr.org/tjan/2009/08/purpose-bigger-than-product.html>

^{viii} Seth Godin, All Marketers Are Liars

Thanks to Jessica Hagy of ThisIsIndexed.com for
the illustration inspiration

^{ix} Roy Spence, It's Not What You Sell It's What
You Stand For