

# DEVELOPING A PURPOSE STATEMENT

Every organization needs a purpose statement. This tool explains what a purpose statement is and provides examples. It includes a process for developing a purpose statement. It also includes four questions that need to be answered in order to develop a strong purpose statement.

Tip: This tool is best used in conjunction with LRI's Six Rings Planning Model<sup>®</sup> tool.

## Definition

A purpose statement captures succinctly why the organization exists and what it does. It should be memorable enough so that everyone connected to the organization can remember it and use it.

A purpose statement is one corner of the triad that forms the foundation of a healthy organization. The other two corners are values and the vision. Our "Integrated Strategic Planning" tool shows this relationship. (LRI also offer tools that show how to develop values and visions.)

We encourage companies to develop a purpose statement rather than a mission statement. A mission statement tends to be a hodgepodge of purpose, values and vision, resulting in a lack of clarity and focus.

A solid purpose statement, on the other hand, can be easily used as a benchmark for decision-making and planning. It can also be used to build morale – and gain support and understanding inside and outside the organization.

## Examples of Purpose Statements

Here are some well-executed purpose statements. Note how crisp, succinct and memorable they are:

<b>Google:</b>	Our purpose is to organize the world's information and make it universally accessible and useful.
<b>3M:</b>	Our purpose is to solve unsolved problems innovatively.
<b>Merck:</b>	Our purpose is to preserve and improve human life.
<b>Walt Disney:</b>	Our purpose is to make people happy.
<b>SETI Institute:</b>	Our purpose is to explore, understand, and explain the origin, nature, prevalence and distribution of life in the universe.
<b>Hewlett-Packard:</b>	Our purpose is to make technical contributions for the advancement and welfare of humanity.

- Sony:** Our purpose is to experience the joy of advancing and applying technology for the benefit of the public.
- Wal-Mart:** Our purpose is to give ordinary folk the chance to buy the same things as rich people.

By contrast, here is a traditional mission statement. Note how much harder it is to identify the core purpose.

“Apex Systems supplies technically innovative software and hardware solutions to the OEM computer market that provide long-term benefits to our customers and our investors.”

### **Process for Developing a Purpose Statement**

- In advance of a meeting of the planning team, have each member of the team complete the attached worksheet.
- At the meeting, review each response.
- Draft a preliminary statement incorporating factors that the group has decided should be included.
- Review and revise.
- Proceed to drafting value statements and a vision statement. (Purpose, values and vision are the foundation of the organization and its strategic plan.)
- Once the team agrees on a draft foundation, circulate to a wider audience of stakeholders for review and feedback.

### Purpose Statement Planning Worksheet

Each member of the planning team should fill out this survey in advance of the planning meeting.

1. Why does our organization exist? What need do we fulfill?

2. Why was the organization founded? What was its original purpose?

3. In the future, will our purpose change significantly (if yes, then how)?

#### **Draft Purpose Statement**

Instructions: Taking into consideration your thoughts above, what is the essential purpose of the organization? Boil it down to a single sentence that is simple and memorable. Bring this sheet with you and be prepared to share it with members of your planning team.

4. What is the purpose of our organization?