

A review of
Purpose – The Starting Point of Great Companies
by Nikos Mourkogiannis
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Rating: 9

(The Official Ayers Rating Scale goes from 1-10. Discarding anything lower than 6 produces a net five-point scale from 6-10.)

Think about the phrase *on purpose*, as in “I did it *on purpose*.” In other words, “I did it *intentionally*, I *meant* to do it.” Nikos Mourkogiannis suggests that all great companies express simplicity about what they intend to do, what they mean to do – they have a clear Purpose.

Mourkogiannis worked for years with large companies, some great and some not. He consulted in the domain of strategy and strategic planning. He writes,

“As I worked with companies [as a strategic consultant] and helped them address their problems, I began to see something that no one else was really talking about – their problems tended to stem from a lack of idealism.”

He came to realize that strategy served simply as a means to get from *here* to *there*. Choosing any strategy thus depends on knowing what ideal an organization chooses to pursue – how it chooses to define *there*.

To help define Purpose, he points out what Purpose is *not*. He differentiates between Purpose and Mission this way.

“Purpose is not a responsibility of any kind. It is not a ‘mission,’ ‘vision’ or ‘value’ – at least not the kind that can be codified in a ‘mission, vision, and values’ statement. ... It is none of these things because, at heart, Purpose is a call to action.”

That is, Purpose does not consist merely of an assignment (e.g., make a profit). Purpose, he asserts, must have a moral dimension.* The call to action points toward a *right* goal, not just any goal.

Mourkogiannis divides Purposes into four broad categories. Each of these will require a different variety of leadership, a different set of competencies, a different measure of success.

“Purpose [in today’s commercial society] revolves around four conceptions of what is right and worthwhile; they involve pursuit of Discovery (the *new*), Excellence (the *intrinsically beautiful*), Altruism (the *helpful*) and Heroism (the *effective*).”

* I think he’s saying that Mission is an assignment for which we are held accountable (whether by ourselves or by others). Purpose is somehow different. After reading this section several times, I think what he’s calling Purpose I have called Vision – it’s that ideal state, the achievement of which is unlikely but nonetheless compelling. Further, it requires not only that we accomplish *our* Mission but also that other organizations accomplish *theirs* as well.

Note the inclusion of the key words “right and worthwhile.” That’s what makes a Purpose a Purpose –the idealism enters there. He also offers examples of each at certain points in time: Tom Watson at IBM for Discovery, Henry Ford for Heroism. He examines the people and the companies to support the case for their inclusion (a) in a list of great people and companies and (b) this particular category of Purpose.

An organization with a clear Purpose, Mourkogiannis claims, will gain a competitive advantage because of the impact of the inevitable alignment of the people within the organization.

“When a company is driven by a Purpose, the vision, mission, and values flow naturally from that Purpose. People don’t need to be ‘aligned’ – they already have been attracted to the organization, as employees or customers, by its Purpose.”

No need for rousing speeches or never-ending slide shows exhorting people to action. People join the organization because they believe in the organization’s stated Purpose. Clearly stating a Purpose, however, poses a daunting challenge.

“Purpose is the game of champions. Only strong-minded men and women – adults with powerful intellects and real character and spines of steel – are suited for it.”

In proffering this idealistic picture, the leaders of an organization explicitly expose their fundamental priorities and implicitly establish bounds for each and every decision made by each and every staff member. He writes that leadership must move beyond values.

“... we must cultivate the ‘virtues.’ These are not abstractions of good behavior; rather they are traits of character which lead us to behave in a way that contributes to our success. ... For Aristotle, the end (success) cannot be understood in the absence of the means (virtue).”

Imagine working in an organization where the four classical virtues (Temperance, Justice, Fortitude, and Prudence) truly served as priorities!

Mourkogiannis also points out the fundamental flaw in the *stakeholder view* of a company.

“When you consider the greatness of a company, you understand why the ‘stakeholder’ idea of a company’s purpose – the idea that a company exists to serve its shareholders, customers, employees, suppliers, regulators, and neighbors, balancing its obligations and duties to each – is precisely wrong. A great company is one that embodies a Purpose in such a way that its quality of action is high. Such a company will naturally produce results that exalt the lives of [those groups]. It won’t need to take on their demands as an obligation.”

That is, an organization with a clear Purpose driving its actions will attract only those people who find the Purpose appealing. If it succeeds, its action will naturally provide benefits for all concerned.

Mourkogiannis includes a host of references, some to business-oriented publications and many more to philosophy, sociology, psychology, theology ... He includes a thirty-page ‘critical bibliography’ pointing to those reference for those readers seeking a deeper treatment of Kant, or Aristotle, or Maslow ...

In my work with nonprofits and even more so with public education, I find that I agree with Mourkogiannis: “their problems tended to stem from a lack of idealism.” Perhaps reading this book would remind them of what they meant to do in the first place.