

**SAMPLE**

“Offer powerful, practical suggestions on ways to build great relationships with people at all levels, leading to engaged, high-performing teams.”

—Greg Creed, **CEO, Yum!**

What Are Your  
**BLIND  
SPOTS?**

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Conquering the 5 Misconceptions  
That Hold Leaders Back

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**JIM HAUDAN**

Co-Founder and Chairman, Root Inc.

**RICH BERENS**

CEO and Chief Client Fanatic, Root Inc.

# Advanced Praise

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“Haudan and Berens offer powerful, practical suggestions on ways to build great relationships with people at all levels, leading to engaged, high-performing teams.”

— **Greg Creed**, CEO, Yum!

“Jim and Rich tap deep into the shaping influences each of us have as leaders and the impacts of those influences on the power and potential of our organizations.”

— **Richard D. Maltzbarger**, former COO, Lowe’s

“Berens and Haudan provide great insight into what truly drives culture change. This book is a must-read for any leader who wants to engage the hearts and minds of their people.”

— **Phil Cordell**, Senior Vice President of New Brand Development, Hilton Worldwide

“Haudan and Berens deftly unveil five of the most common outdated beliefs and offer practical solutions for overcoming each. I recommend *What Are Your Blind Spots?* to anyone who is serious about engaging people and achieving high performance.”

— **M. Troy Woods**, Chairman, President, and CEO, TSYS

“Berens and Haudan explore essential building blocks for leaders, which will enable them to engage their teams and drive change.”

— **Klaus Entenmann**, Chairman of the Board of Management, Daimler Financial Services AG

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# Introduction

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It was December 12, 1799, and George Washington, at 67 years of age, was just over 30 months into his retirement from being the first president of the United States of America. Never one to sit still, he was very involved supervising activities at Mount Vernon, his estate in Virginia. His property spread over more than 500 beautiful acres along the Potomac River. He spent most of that December day outside, and an entry in his diary that evening about the weather conditions read, "About 10:00 it began to snow, soon after it hailed, and then a settled rain." The following day, he complained of a sore throat but went out again on his horse to mark trees that he wished to be cut. It was another cold day punctuated by heavy snow and hail. Despite not feeling great, he returned home in good spirits. He spent the evening with his wife, Martha, and his personal secretary, Colonel Tobias Lear, reading various newspaper articles aloud and discussing them to the degree that his hoarse voice permitted. When the colonel suggested he take medication, Washington replied, "You know I never take anything for a cold. Let it go as it came."

At 2 a.m., he awoke with severe shortness of breath. His wife wanted to go out and get help, but ever the gentleman, he did not want her to be exposed to the elements, as she had suffered from a cold not long before him. Martha asked for Colonel Lear to come into the room to help with the situation. Gravely concerned, they quickly sent for physicians, three of whom would make it to the

estate the next day. Washington was a big believer in bloodletting and asked his estate overseer, George Rawlins, to start the process. Rawlins removed between 12 and 14 ounces of Washington's blood that morning before the physicians arrived.<sup>1,2</sup>

Bloodletting was for centuries one of the most common practices used to treat severe headaches, fevers, and almost any other significant ailment you could think of. It worked by using a sharp piece of wood or a sharp knife to open a vein and allow blood to flow into a container. While its origins seem to come from ancient Egypt, it really took hold with the Greeks. Hippocrates, a Greek physician, built on the beliefs established by Greek philosophers that the four basic elements of existence were earth, wind, water, and fire. He claimed these elements were represented by four "humors" in humans: blood, phlegm, black bile, and yellow bile. When humans got sick, these four were out of balance, and bloodletting was a great way to rebalance them. Somehow this seemed to make a lot of sense to people, and the treatment became popular. It was used in the Roman Empire, the Indian and Arab worlds, and the Western world until the eighteenth century. And as is obvious with this story, it was a method still widely accepted and applied when Washington got his cold.<sup>3,4</sup>

As the doctors arrived at Washington's bedside, they tried various ways of providing comfort to the first president and trying to improve his condition. The one thing they did consistently was bloodletting. There were four more sessions of bloodletting, removing well over 80 ounces of Washington's blood. To put that in context, they removed 40 to 50 percent of his blood in one day!

Washington grew weaker throughout the day, and by that evening, he said to his doctors, "I feel myself going. I thank you for your attentions and I pray that you take no more troubles about me. Let me go off quietly. I cannot last long." He died a little after 10 p.m.

What exactly did he suffer from? This is still debated in medical circles today. But we do know that losing half his blood that fateful

day was anything but helpful. And amazingly enough, Washington himself was a big proponent and was advocating to the physicians that this needed to be done.

You may ask, How could someone who was instrumental in the creation of the Constitution, who was the first president of a system of government that has stood for over 200 years and is a model for a modern democracy, and who was, by all accounts, a brilliant man, believe in something this nutty? How could physicians be blind to the fact that most of the time they were doing way more harm than good with the method of bloodletting for centuries?

This is merely one example of a belief or approach becoming the acceptable and “best” way to do something, even though in hindsight it is obvious that it is not. Let’s explore a few more examples of rather peculiar methods and beliefs that manifested themselves broadly.

## WE REALLY BELIEVED THIS?

### *The World Is Flat*

For thousands of years, it was a widespread belief that the world was flat and that if you went to the edge of it, you would fall off. Aristotle was one of the earliest to dispute this belief and provide evidence against it. He simply stated that when one travels south, the constellations appear higher above the horizon, which would not be possible unless the earth was round. But more than 1,500 years later, the belief in a flat earth was still widely accepted as true.

### *Cocaine Cough Drops*

There are many beliefs that society has held even in the more recent past that are a bit shocking when viewed through the lens of today. Nowhere is there a more jolting example than the use of cocaine as

medicine for kids' everyday ailments. In Figure I.1, you see an ad that ran in 1885 for cocaine drops for toothaches—for children.



FIGURE I.1 An advertisement for cocaine-laced medicine for kids from the 1890s

We are not making this up. The medicine not only promised to relieve pain but also promised to provide a lift in mood! We can just see the dialogue between parents:

“Honey, Annabelle seems to be a bit cranky and not herself today.”

“No worries, dear. Just slip her one of the cocaine drops in the cupboard, and she will be off and running.”

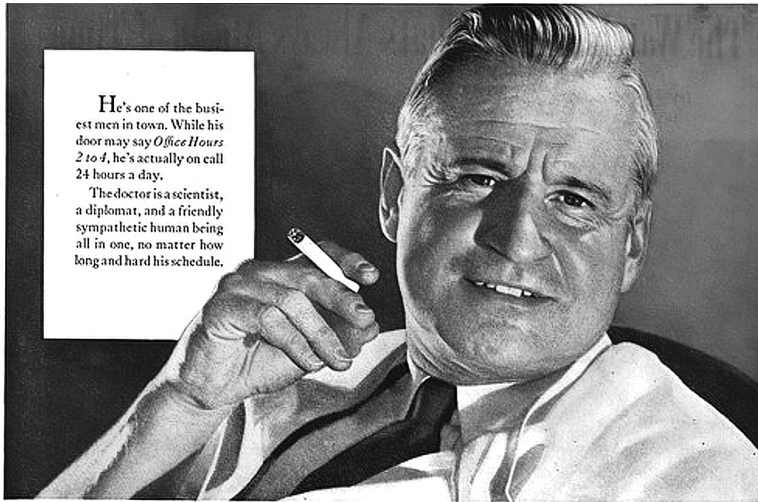
## Smoking

Smoking is probably the most well-known example of where our beliefs have changed profoundly over the past 50 years. U.S.

Surgeon General Luther Terry's 1964 Advisory Committee Report on Smoking and Health provided the catalyst for a sea change in our societal perception of smoking. Prior to that turning point, our attitude toward smoking was very different. Smoking was socially desirable, did not raise meaningful health concerns, and was as common as drinking a glass of wine with dinner is today. You could hardly find a movie star or musician who wasn't holding a cigarette or promoting a brand for that matter. Figure I.2 shows the "Rat Pack" members Dean Martin, Sammy Davis Jr., and Frank Sinatra who defined cool in their era and were rarely caught without a cigarette in their hand. In fact, as you can see in Figure I.3, smoking was so socially acceptable that many advertisements touted the health benefits of smoking and frequently used doctors as pitchmen.



**FIGURE I.2** "Rat Pack" members Dean Martin, Sammy Davis Jr., and Frank Sinatra were rarely found without a cigarette in hand.



He's one of the busiest men in town. While his door may say *Office Hours 2 to 4*, he's actually on call 24 hours a day.

The doctor is a scientist, a diplomat, and a friendly sympathetic human being all in one, no matter how long and hard his schedule.

*According to a recent Nationwide survey:*

# MORE DOCTORS SMOKE CAMELS THAN ANY OTHER CIGARETTE

DOCTORS in every branch of medicine—113,597 in all—were queried in this nationwide study of cigarette preference. Three leading research organizations made the survey. The gist of the query was—What cigarette do you smoke, Doctor?

*The brand named most was Camel!*

The rich, full flavor and cool mildness of Camel's superb blend of costlier tobaccos seem to have the same appeal to the smoking tastes of doctors as to millions of other smokers. If you are a Camel smoker, this preference among doctors will hardly surprise you. If you're not—well, try Camels now.



Your "T-Zone" Will Tell You...

T for Taste...  
T for Throat...  
that's your proving ground for any cigarette. See if Camels don't suit your "T-Zone" to a "T."

W. J. Barnhill, Medical Director, Winston-Salem, N. C.

**CAMELS** *Costlier Tobaccos*

**FIGURE I.3** Doctors promoting cigarettes were commonplace in the 1950s.

## Soda

In the past few years, we have become much more conscious about carbonated soft drinks and their impact on our health, especially their adverse effect on children, including the rise of childhood obesity and diabetes. Today a number of cities have implemented a special tax on sugary beverages in an attempt to curtail consump-



tion. The link between sugar and childhood obesity is well established these days. But that was not the case at all a few decades ago. Look at Figure I.4 and see how 7-Up positioned its drink in the 1950s to be a great choice for your toddler.

Watch "Soldiers of Fortune" For exciting adventures, see the 7-Up TV ad every week.

Copyright 1959 by The Seven-Up Co.

**Why we have the youngest customers in the business**

This young man is 11 months old—and he isn't our youngest customer by any means.

For 7-Up is so pure, so wholesome, you can even give it to babies and feel good about it. Look at the back of a 7-Up bottle. Notice that all our ingredients are listed. That isn't required of soft drinks, you know—but we're proud to do it and we think you're pleased that we do.

By the way, Mom, when it comes to toddlers—if they like to be coaxed to drink their milk, try this. Add 7-Up to the milk in equal parts, pouring the 7-Up gently into the milk. It's a wholesome combination—and it works! Make 7-Up your family drink. You like it . . . it likes you!

**Nothing does it like Seven-Up!**

Avoid medications known to cause or aggravate. Seven-Up is sold in bottles only.

**FIGURE I.4** An advertisement touting the benefits of carbonated soft drinks for babies and toddlers

Here is the actual text in the ad in Figure I.4:

This young man is 11 months old—and he isn't our youngest customer by any means. For 7-Up is so pure, so wholesome, you can even give it to babies and feel

good about it. Look at the back of a 7-Up bottle. Notice that all our ingredients are listed. (That isn't required of soft drinks, you know—but we're proud to do it and we think you're pleased that we do.) By the way, Mom, when it comes to toddlers—if they like to be coaxed to drink their milk, try this: Add 7-Up to the milk in equal parts, pouring the 7-Up gently into the milk. It's a wholesome combination—and it works! Make 7-Up your family drink.<sup>5</sup>

## **HOW DO EXAMPLES FROM OUR PAST RELATE TO COMPANIES TODAY?**

The point is not to pick on particular companies and question their marketing campaigns. Instead the point is that beliefs and approaches that now seem absurd were not only embraced by many people; they were actually promoted and endorsed by the leading companies and experts of the time. They were legitimate societal blind spots that, in retrospect, make us shake our heads in disbelief at what we accepted as good or desirable.

Only in hindsight do these things seem silly, absurd, or at best misguided, as they were considered perfectly normal at the time they were practiced. Not until our beliefs were challenged and we had new insights and deeper levels of understanding did we challenge our ways on a broad scale.

## **WHAT IS A BLIND SPOT?**

Traditionally the phrase “blind spot” refers to a part of the retina that is insensitive to light, which results in an actual spot in the eye where a person can't see. “Blind spot” is also a phrase used when the side mirrors of a car create a space to the left and right side of your vehicle where you can't see cars passing or driving next to you.

Just as we have visual blind spots and societal blind spots (noted earlier), we have found, in our 20+ years of working with many of the largest companies across all industries around the world, that there are leadership blind spots. We define leadership blind spots as *areas where our existing beliefs and experiences preclude us from having the most enlightened view of how to lead most effectively.*

The research that linked smoking to cancer and sugar-filled, carbonated drinks to obesity wasn't always obvious. But if you take the time to reconcile data with reality, you can embark on a trajectory of profound belief challenge and change. In short, you can overcome a particular blind spot. Our point in this book is that there are a series of leadership blind spots that cloud how we lead and run organizations and the people in our organizations. These blind spots are just as absurd as concepts such as bloodletting, cocaine toothache drops for kids, healthy smoking habits, and wholesome, carbonated soft drinks mixed with milk. And like those societal blind spots, we aren't aware yet of how flawed our thinking is when it comes to our leadership. We claim that several years from now, we will look back at how we run organizations today and shake our heads at how unenlightened some of our practices and beliefs were.

## CHANGE STARTS WITH OUR BELIEFS

Many of our current beliefs about how organizations should run date back to the Industrial Age! In his book *Why We Work*, Barry Schwartz explains that many of our thoughts about work, and the role of employees, have been shaped by none other than Adam Smith, the famed eighteenth-century economist, philosopher, and author of *The Wealth of Nations*. Smith's work has been instrumental in how we think about and run our businesses, and much of it has been taught in business schools as foundational knowledge since their inception. Smith wrote: "It is in the inherent interest of every man to live as much at his ease as he can; and if his emol-

uments are to be precisely the same whether he does or does not perform some very laborious duty, to perform it in as careless and slovenly a manner that authority will permit.”

In a nutshell, the core belief established here is that people’s primary, if not sole, motivation for working is . . . money. And people will do as little work as they can possibly get away with in order to get that money. While this is not the most desirable state of mind from a human perspective, it worked reasonably well in the Industrial Age where division of labor into smaller, repeatable activities was the way to be the most productive.

Today we are well past the Industrial Age; we are somewhere between an information age and an experience economy. People still care as much as ever that they get paid and that they get paid as well as they can. But we also know that people are motivated by being a part of something larger than themselves, by feeling a sense of belonging and connectivity, and by knowing that their contributions make a difference. Yet many of the beliefs from the Industrial Age about how to run companies and how to treat people have stuck with us. And while many leaders intellectually understand the difference, we time and time again see beliefs, habits, and practices that are remnants of the old way of leading. It seems that 200+ years of habits are hard to break!

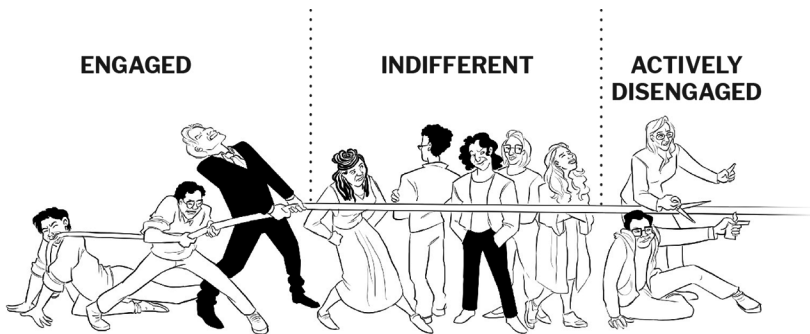
It’s time to help free leaders from some of their long-held and no longer relevant beliefs regarding human nature in the workplace. The leadership blind spots that we will learn about throughout the book are destructive forces that work against engaging the workforce, creating results, and effectively competing in today’s world—and are remnants from an era that has long come and gone.

## **WHY THESE BLIND SPOTS MATTER**

Our goal in this book is to shed light on the five most common leadership blind spots. The stakes are high, as the realities of today’s

workplace scream for an intense examination of the core beliefs from which all leaders lead and engage their people. We know that 60 to 90 percent of all strategies are not executed, 70 percent of people in organizations are not actively engaged, and annually, more than a half a trillion dollars' worth of economic value is not realized in the United States alone as a result.<sup>6,7</sup>

Picture your organization or team in a tug-of-war with the competition to win more customers and grow your business. Assume your company consists of ten people you have on your side of the line to help you win, as illustrated in Figure I.5. The data tells us that while three people are pulling as hard as they can to win, five of your people are not pulling at all—they are pretty much indifferent at all. And two people are trying to cut the rope with a knife and set the rope on fire at the same time.



**FIGURE I.5** *The engagement tug-of-war*

While this isn't a pretty picture, it is an accurate representation of most workplaces today. Studies show that 50 percent of the people are indifferent, 20 percent are actively disengaged or are arsonists, and a mere 30 percent are actively engaged. What's even worse is that this picture has not changed for 30 years. That's right! According to Gallup's annual employee engagement polls, there has been no significant movement in engagement scores in the last 30 years. That data is staggering!

During this same time, we have seen dramatic changes in some of our most pressing social issues, like a reduction in cancer deaths and traffic fatalities or, as discussed earlier, a decline in smoking habits or consumption of highly sugared drinks. We have made significant progress in many areas—but not in the way people show up to live the majority of their life at work! In the words of author Lisa Earl McLeod, “Work is competitive, work is hard, and work can be exhausting. But it shouldn’t be soul sucking awful.” Everyone should have the right to do work that is meaningful, engaging, and productive. And every leadership team should be obsessed with making that happen. Not just because it is the right thing to do. It is also simply smart business.

So what can we do to facilitate change? The first step, and typically the hardest, is realizing and accepting the fact that this disengagement is not your people’s fault. Most professionals don’t wake up each day and say, “I can’t wait to *not* make a difference today,” “I am indifferent about what we do as a company. Just pay me,” or “My goal for the next year is to be average at best!” The great majority of us don’t want to think this way about the place where we spend more time than anywhere else in life—and yet way too many of us feel that way.

While all employees should own their engagement, the truth is that the tone, conditions, and environment in which those same employees could thrive or become disengaged are set by leaders. Change has to start with leaders, and it has to be about owning and creating the conditions for high engagement and high performance. Yet leaders often don’t know how to create those conditions, or worse, they don’t fully believe in the importance of creating those conditions.

## THERE ARE LIGHT BULBS IN THERE!

As a real-life example that stuck with us, a few years ago we had the privilege of working with one of the top ceiling tile manufacturers

in the country. The company was experiencing significant change driven by foreign and domestic competition. There was price pressure, a need to revisit the effectiveness and efficiency of its North American manufacturing plants, and a need to engage its workforce in that change. The company was also starting to use a new measure—EVA (economic value added)—to gauge financial success and build a companywide gain-sharing plan to do so.

Our charge was to engage every employee in the organization in the change. To do that, we needed to engage people in the changing dynamics of the marketplace to ground them in the “why” of the change. We also needed to make them comfortable with the EVA-based gain-sharing system and create a link between that and how their day-to-day activities connected to all of it.

We carefully crafted the storyline and developed learning materials to enable robust and thoughtful two-way conversations. One of our first stops for a pilot was a manufacturing plant near Macon, Georgia, where about 12 plant employees joined us for the session.

This was a group from all walks of life, largely men, ranging in age from their mid-twenties all the way up to their early sixties. They were hard workers, and while they appreciated time off their shift, none of them looked ecstatic to see a couple of consultants about to walk them through “a business literacy program.” They had seen these types of workshops before and had a healthy skepticism about our true intentions and what other shoe would be likely to drop in the next two hours.

Our goal for this meeting was to get the employees at this plant engaged in thinking about the challenges of the business and identifying solutions. A member of our team started to facilitate the session while a couple of us observed the room with the plant manager, Larry. It was clear that Larry’s job was being dictated by an order coming from above rather than one he fully embraced. As things got going, he kept sighing and shaking his head and was all but openly annoyed by the whole process.

At the front of the room, the conversation with the group started out slowly. Our process had the group work through a series of questions, and we were getting radio silence, likely because there was a combination of skepticism around our intent and trepidation around the content itself. While no one was saying much of anything, it was pretty clear what the people assembled were thinking:

“Are these guys here to evaluate us?”

“Will there be layoffs?”

“Why is Larry watching this whole thing?”

“This looks complicated, and I don’t want to look stupid.”

This went on for a couple of minutes, and we could see that Larry was getting increasingly agitated. One of us leaned over and whispered to him, “Hey, Larry, we have to give this a bit of time and let them play with the information and it will work out great. We need to just stay quiet back here and not make them nervous. It will be amazing once you see the light bulbs go on.”

What follows is one of our all-time most memorable client quotes. Larry looked at us funny, leaned over, and said, “You’ve got to understand. My people ain’t got no light bulbs, and we are in for a long afternoon.”

Now we were all really nervous that Larry was not going to give us the benefit of the doubt, but conversation eventually began to pick up. Two hours later, we had the group of 12 actively engaged in the market, the gain-sharing plan, and what was and wasn’t working around the company. When the session wrapped up, we went around the table and asked for feedback and reflection from each participant.

What happened next has vividly stuck with us to this day. A man who was in his late fifties went first. He said, “I have worked here for over 20 years. And for 20 years I have been told what to do.” And then he got teary-eyed, with his lips trembling a bit, and



he said, “This is the first time someone has asked my opinion about the business, and I just want to say how thankful I am for that.”

Not only was our team blown away and moved, but we could see that Larry was as well. The comment hit him at his core, and we are pretty sure we changed Larry a bit forever that day. The rest of the debrief echoed the same sentiments. When we shook hands at the end, Larry looked us in the eye and said, “You know what? I need to do a bit better looking for the light bulbs in people.” Larry realized he had a major blind spot in how he was operating his plant and engaging with his people. At his core, he didn’t trust his people and expected little; therefore, he got little in return. That day had him rethinking his management belief system and showed him that he needed to operate differently.

What a powerful “aha” for him to have. Unfortunately, Larry’s story is not an unusual one. We see similar stories time and again at all levels of leadership and in all industries. The world is littered with Larrys—leaders and managers who underestimate, underappreciate, and underutilize the potential of their people. And when given the chance to see differently, they are dumbfounded at the untapped interest, intelligence, and creativity of their people. When leaders are placed in a situation as Larry was, their beliefs usually surface, including “They won’t get it,” “They won’t care,” “They won’t see it as their job,” and “They won’t be motivated to step out of their comfort zone.” And all are instantly challenged by this experience.

The truly dark side of that leadership belief is not the lost productivity, but the impact on the average employee. There is a great sense of untapped value and appreciation that people have about their jobs. A large number of employees simply don’t feel valued, and because of that, they show up indifferent about their jobs.

Take a second and ask yourself these questions to get a better understanding of both yourself and your people:

- When was the last time you felt really listened to?

- When was the last time you felt that anything you said made a meaningful difference?
- When was the last time the work you did felt really valued?
- When was the last time you felt that your efforts contributed to winning?
- When was the last time you could connect your actions to business results?

If the answers to these questions don't excite you, you are not alone. We have, for the most part, a systemic level of disengagement in our workforce.

One of the greatest untapped opportunities in business today is to access the dormant human capital that we often fail to capture and inspire. With only 30 percent of professionals being engaged, the vast majority of human talent is not showing up at work to innovate, create, build, change, and find better ways of doing things. As leaders, we simply can't accept that. We have to look in the mirror to get at the root causes of this challenge and uncover blind spots in order to create a better way of leading.

After 20+ years of working with over 850 global companies and having touched over 10 million people in those companies, it is our strong conviction that a set of leadership blind spots accounts for the difference between those who get it and have great, thriving, and growing workplaces and those who don't.

Just think of it: What if we did not have workplaces where 30 percent are actively in the game and 70 percent are indifferent or worse, but where those numbers were reversed? Think of the tremendous potential for innovating, collaborating, and finding new ways of serving the customer. Think of teams you have been on and meetings you have been in where the majority of people were fully immersed and engaged. How productive were you? How much faster did you move the needle? How much more fun did you have? The energy, positivity, and goodwill of a highly engaged team create

an almost unstoppable force. If we are able to do that, think of the benefit we create even beyond more profitable and thriving enterprises. We create a more enlightened world with better organizations, where people are striving to be at their best rather than just trying to get through the day.

## THE BLIND SPOTS IDENTIFIED

We have identified five leadership blind spots that perpetuate disengagement and indifference. They do the exact opposite of creating thriving, innovative workplaces that turn customers into advocates and fans. Let's take a quick look at each one before each chapter breaks them down further and answers the key questions leaders need to ask themselves in order to see things as their employees do.

### *Leadership Blind Spot #1: Purpose*

**Common Misconception.** Purpose matters, but it doesn't drive our numbers.

**The Basics.** While there was a time when employees were only paid to complete a specific set of tasks, there is way more to it than that today. Many leaders are starting to embrace the concept of purpose but fail to actually run their businesses in a purpose-driven way.

**The Question We Will Answer.** As leaders, how can we put purpose at the center of the way we operate our business and achieve exceptional financial results because of it?

### *Leadership Blind Spot #2: Story*

**Common Misconception.** We have a compelling story to tell that our people care about.

**The Basics.** Most organizations have a semigeneric vision statement, accompanied by what seems like too many slides to outline their strategy for what winning looks like for the organization. Leaders believe they have a compelling story to tell, but when seen through the eyes of the employee, the complete opposite is often the case.

**The Question We Will Answer.** What makes a strategy story compelling, and how can we craft one for our people?

### *Leadership Blind Spot #3: Engagement*

**Common Misconception.** Rational and logical presentations engage the hearts and minds of people.

**The Basics.** In many organizations, a tremendous amount of money is spent creating strategies to win. Those strategies then get communicated using PowerPoint presentations, road shows, or town hall meetings—but things seemingly get stuck. Employees fail to connect with the strategy, leaders are frustrated about the lack of progress, and managers just try to hold the ship together.

**The Question We Will Answer.** How do we move from presentations to conversations and create genuine engagement in strategies in the business?

### *Leadership Blind Spot #4: Trust*

**Common Misconception.** People will not do the right thing unless you tell them what to do and hold them accountable to do it.

**The Basics.** Companies want and need to deliver great service to differentiate themselves, and the common belief is that the best way to deliver this is to create tight processes, scripts, and routines that minimize variability—to hold people and their behaviors to a strict

policy and uniform standards. But that approach will never create consistent yet unique, differentiated, and personalized experiences that lead the market.

**The Question We Will Answer.** How can we trust and scale the unique human judgment, discretion, and care of our people, while at the same time having firm standards that we all share?

### *Leadership Blind Spot #5: Truth*

**Common Misconception.** My people feel safe telling me what they really think and feel.

**The Basics.** In many leadership teams, what people really think often gets discussed in the hallways and bathrooms and by the watercooler rather than in meeting rooms. People don't feel safe telling the truth because they don't think it is smart or safe to do so. Many leaders believe that to be effective and successful, they need to be smarter than the next guy, fight for their area of the business, and not show vulnerability. This mentality creates lack of trust, collaboration, and common ownership for a greater goal—and ultimately greatly slows down execution speed.

**The Question We Will Answer.** What can we do as leaders to make it safe for our people to tell the truth and act on those truths to make the business better?

.....

The next five chapters will explore these five leadership blind spots in detail through stories and experiences that we have been a part of over the last 20 years. We are pretty sure we were not always the smartest guys in the room, but we were able to take a lot of notes and see firsthand how these leadership blind spots play out, and

more importantly, what some of the very best are doing differently to create thriving workplaces and successful companies.

## CHAPTER ONE

# Leadership Blind Spot #1: **PURPOSE**

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### Common Misconception

*Purpose matters, but it doesn't drive our numbers.*

### The Basics

*While there was a time when employees were only paid to complete a specific set of tasks, there is way more to it than that today.*

*Many leaders are starting to embrace the concept of purpose but fail to actually run their businesses in a purpose-driven way.*

### The Question We Will Answer

*As leaders, how can we put purpose at the center of the way we operate our business and achieve exceptional financial results because of it?*

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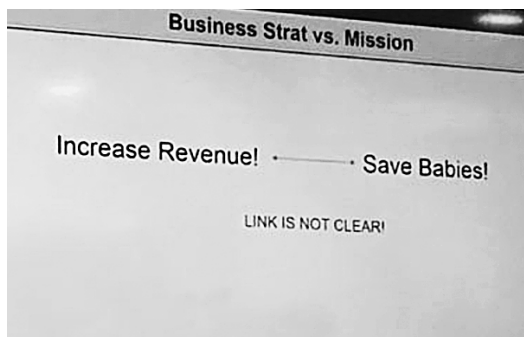
BUY    

## INCREASE REVENUE OR SAVE BABIES?

We had the opportunity to host a senior executive team of a global company focused on quality and safety standards in our water, food, and consumer products. This company conducted an engagement survey and found that its employees were disillusioned about the company. The company leaders then created an internal task force to dive deeper into what was behind the discontent. They brought their executive team and several of the task force members to our facilities to reveal their findings and discuss the implications openly. The task force members opened the day with a very telling slide, shown in Figure 1.1.

To be crystal clear, this is a company whose job is literally to save babies by making sure the water we drink, food we consume, and toys we play with are indeed safe. Yet people in the company had a difficult time connecting the dots between how the company was run and how the strategies, metrics, and activities they were undertaking linked to the larger purpose of the organization.

This is not uncommon. Connections aren't always clear, and this results in frustration within the workforce. But on the flip side, we have also seen many instances where it was the conviction in the importance of purpose that was lacking.



**FIGURE 1.1** A client slide demonstrating the struggle on how to link purpose to the company's core business metric



A few years ago, we worked with a large industrial conglomerate. It was a successful organization, and the CEO, who was in the latter stages of his career, had ambitions to more thoroughly shape his legacy in the organization by creating a greater focus on the company's purpose. Creating a lasting purpose would be something he passed along to the next generation of leaders by setting a path for a successful future.

The process of establishing a legacy included the creation of a purpose council that was made up of a broad set of representatives from the organization. The council had numerous global conference calls where people had the opportunity to share their perspectives and ideas on what the purpose of the organization should be. The members of the council looked at the origins of the company and where it was at the time, and then they did some real soul-searching on what they wanted the company to stand for as it moved into the future. The process included numerous broader listening sessions and, of course, a consultant with expertise on how to become more purpose driven. While a bit tedious, the effort was sincere, and progress was being made.

A few months in, the business results were under pressure, and quarterly numbers came in quite a bit lower than expected.

We were sitting with the CEO over dinner when the subject of purpose came up. He told us, "The purpose work is important, but we have hit some headwinds. It's time to really focus on the operations of the business and get the numbers moving again. We can then go back to our purpose work once we have things under control."

On the surface, that sounds very rational, but it was essentially an admission that the company lacked the belief that focusing on purpose is an important performance driver for the business. Unfortunately, we see this all the time. Purpose becomes something that a company only focuses on when things are going well or we have extra time on the agenda.

.....

This gets right at the heart of the first misconception we have encountered many times with leaders: Purpose matters, but it doesn't drive our numbers. This misconception is all too common across many executive teams. These teams acknowledge that purpose is important, but they don't really believe it's essential to business performance.

In study after study, the vast majority of respondents, often as high as 90 percent, said that their company understood the importance of purpose, but less than half thought that their company was run in a purpose-driven way.

In our experience, leaders are reluctant to replace the existing belief that purpose and profits are largely separate endeavors. The former is seen as "soft" and something to tell stories about to build corporate pride and connectivity, while the latter is a nonnegotiable and something that should be managed weekly. As a result, the concept that purpose is an enabler of superior results and should be a central guide of your business strategy is not a common belief for most of today's leaders. That belief is compounded by a corporate ecosystem that makes it exceedingly difficult to build a high-performing, purpose-driven organization for the long term. In the words of one of the CEOs we interviewed for the book, "All the stuff you guys are talking about is bullshit in the eyes of many at the top, and they just don't care." And for those who do, the deck is stacked against them (even though that shouldn't be the case).

The challenge starts at the business school level where many are still taught that shareholder value is the true north of organizational purpose, a concept that Jack Welch, the former CEO of GE, has called "the dumbest idea in the world." This concept focuses on the shareholder as the primary stakeholder and making money at any cost, as long as you stay within the appropriate legal and regulatory boundaries.

To compound the challenge, the investor community is dominated by “short-termism.” The length of time that investors hold stocks has moved from eight years in the 1960s to less than five days today!<sup>1</sup>

The focus is all about the next quarter and whatever levers you can move to beat the estimate. And when it comes to those leaders who actually want to create a purpose-driven organization, it is an uphill battle against conventional wisdom and the accepted norms, behaviors, and actions of how things work today.

So what do we do to change this mindset? We believe the answer lies in every leader asking this fundamental question that gets at the core of how an enterprise is run:

Am I creating an organization that focuses on bringing its purpose to life every day, or am I creating an organization that is focused on hitting the numbers every day?

In order to get to the honest answer, try answering these three questions to determine whether or not your organization is purpose driven. The actions suggested underneath each question provide you with a simple way to get an honest snapshot of the role that purpose truly plays in how your business is run.

- **Question:** Are your meetings primarily about the numbers, or do you have active conversations on the purpose and how to activate it?  
**Action:** At the next three strategically focused meetings you attend or lead, gauge how much your purpose is shaping the agenda and the conversations of team members.
- **Question:** What does success for the business look like?  
**Action:** Ask 10 people in your organization this question and see what they mention first. Is it financial goals or the impact we are looking to have through what we do?

- **Question:** What does the company's purpose mean to you? How personally meaningful is it to you?  
**Action:** Go into a bit more detail on purpose and ask five people what the company's purpose means to them personally and how they believe it impacts the customers and communities it serves.

Of course, being purpose driven and having financial success are not mutually exclusive. It's just the opposite. But the conversations you have and how you run your organization are very different based on what your primary driver is.

## THE RISE OF PURPOSE

Research has shown a more than fivefold increase in publications and writing about purpose since 1994, with most of that increase happening in the past five years. And interestingly enough, the content of the articles has shifted from whether purpose matters to how to authentically bring it to life and have it be meaningful for a business.<sup>2</sup>

Why is purpose so much more prevalent in business today? After all, did our moms and dads and grandmas and grandpas not care about these things when they were working? Did we not care a mere few years ago when people were not talking about this as much?

### *Show Me the Money*

There are numerous factors at the core of why purpose is moving to the forefront. One key reason is that there is now a growing amount of literature and studies backing up its impact. A pacesetter for this was Jim Collins and Jerry Porras's 1994 book, *Built to Last*. This book found that between 1926 and 1990, a group of so-called visionary companies was guided by a purpose beyond making money, and

each business returned six times more to shareholders than explicitly profit-driven companies.

One of the more recent pacesetters of this thinking is the Conscious Capitalism forum. In a study looking at stock returns of purpose-driven companies and captured in the book *Firms of Endearment*, the authors found that the “Firms of Endearment” outperformed the S&P over a 15-year period by a ratio of 10 to 1.<sup>3</sup>

There is a lot of data coming in that shows purpose-driven companies are outperforming the market. Executives tend to like data, and it is telling them loud and clear that this is something they need to pay attention to.

### *If It Ain't Broke, It Might Actually Already Be Broke*

Just as great success stories have fueled purpose, so have stories highlighting the failure of organizations that did not have a clear purpose at their core. Let's look at Blockbuster, which was a well-oiled machine, renting movies to customers through thousands of retail stores around the United States.

Blockbuster was in an industry that was facing enormous change, as technology was allowing competitors to reach customers directly first through mail delivery and then streaming. This shift all but eliminated the need for retail stores. As the marketplace changes gained momentum, Blockbuster was not able to adapt quickly enough and went from the biggest player in the industry to bankrupt within only a few years.

There are obviously numerous factors that contributed to Blockbuster's failure, and being the incumbent when industries change can be very difficult. But a key reason for its inability to adapt was that Blockbuster was not purpose centered at its core in a way that it could positively reshape its business. It was not focused on finding the best way to bring content and entertainment to customers. Instead it was focused on serving customers and maximizing profit

of an established retail store model that had more than 9,000 stores at its peak. When the market changed, the company did not have a purpose strongly guiding it to adjust to the new rules of the market.

As one poignant example, there were many internal battles that took place within Blockbuster on whether it should waive its late fees. Customers hated the fees, and the competition was making movies available for much longer via mail order without charging. But the company and its stores were so addicted to the profit that late fees generated that Blockbuster could not get itself to stop charging them until it was way too late. You could ask how a group of smart people could not see the bigger picture. One key lesson is that Blockbuster had an operating model and financial targets as its true north guiding its strategic filter, rather than an externally focused purpose doing that.<sup>4,5</sup>

There are many Blockbuster-type examples that line the graveyard of fallen titans. The reasons for failure are manifold. But one of the core reasons is that companies fall victims to their existing operating models and financial expectations and lack the ability to reframe where and how to compete. Organizations with a strong purpose at their core are more likely to be able to change when they truly need to. They will view their current operating model and customer offerings as merely a means to achieve their larger purpose and should therefore be able to change direction more easily when market forces require a more radical shift. Blockbuster viewed itself as being in the primary business of renting movies via its stores. If the company had a bigger purpose, it would have realized it was in the business of providing entertainment to customers whenever and wherever they wanted—and it might still be around.

### *Soul-Searching After the Financial Crisis*

The financial crisis and severe economic recession of 2008–2009 created soul-searching for many companies and employees about

why they do what they do and what success looks like. Maybe one of the few benefits of that calamity was that it got many of us to look collectively in the mirror and ask what we like and do not like about the companies we run or the companies we work for. Blatant, untethered greed and the devastating consequences demonstrated by some key players within the financial services industry had an impact on many of us. Don't get us wrong—making money is essential for any organization, and profitable enterprises should be celebrated and embraced. But it became more and more obvious which companies had money as the sole or primary driver of success.

### *A Decline in Trust*

According to the Pew Research Institute, Americans' trust in our government has declined from 73 percent in 1958 to 19 percent by 2015.<sup>6</sup>

While trust in corporations and their leadership has not declined quite that precipitously, it has dropped quite a bit as well. The lack of trust has, unfortunately, become a bit of an epidemic with seemingly no end in sight. Many of us yearn to have institutions and leaders we can trust in. When trust declines, transaction costs go up. When you are unsure about a product you may buy, a doctor you may use, or a leader you work for, what do you do? You ask around to see what you can learn from peers you do trust; you do your own research; you determine all your options and become skeptical about everything you hear and hedge your commitment. That is very different from when you have full trust. You are likely to skip most of those things and just purchase from those you have established trust with.

The decline in trust has made us, as consumers, more skeptical while also being much more loyal to the organizations, people, or products that we authentically trust at the same time. With that being said, the purpose of a company winds up being a major fac-

tor when it comes to customer decisions—and organizations are becoming more and more aware of this.

While the quest for organizations with shareholder value as the sole true north has created efficient, agile, and focused organizations, it has also created companies without a soul. And it turns out a great many of us don't like buying from or working for that type of organization. As a matter of fact, many of us actively dislike working for those organizations, and if we have a choice, more and more of us choose not to. In his book *Why We Work*, author Barry Schwartz explains that “work is more of a frustration than one of fulfillment for nearly 90 percent of the world's workers. Ninety percent of adults spend half their waking lives doing things that they would rather not be doing at places they would rather not be!”

In many ways, the financial crisis has accelerated or triggered a long-term shift in how we determine what businesses we buy from, what company we work for, and what type of experience we want when we go to work. And this fact is only accelerating with millennials entering the workforce. This generation expects organizations to be purpose driven, and if you are not, you're out. Period.

Our society is at the beginning of a long-term and likely permanent shift where purpose is a core driver of our decisions on where we work and what brands we are loyal to. We will support organizations that are purpose driven and will continually move away from those that are not. Figure 1.2 shows the mindset of employees and customers alike when it comes to who they want to work for and buy products from. Leadership teams are feeling that, and it is why purpose is gaining traction and is part of conversations not just in boardrooms, but also among employees and consumers now more than ever.

But therein lies the challenge. Becoming purpose driven and developing a purpose statement seems to be a convenient answer, but it's not that easy. Adopting a purpose and having a purpose statement doesn't in any way guarantee that you are actually pur-





**FIGURE 1.2** People are drawn to purpose-driven companies more than ever.

pose driven. What we see in many organizations is the notion that we can't be caught without a purpose, but then it's time to move on and run the business without it playing an integral role in guiding us. We can guarantee you that your people will see through that, and the effort will result in eye rolling and cynicism rather than the desired long-term competitive advantage.

## WHAT CREATES A POWERFUL PURPOSE?

One of the foremost thinkers on purpose in recent history is Simon Sinek, who has published several books and gives an excellent TED Talk titled "How Great Leaders Inspire Action." According to Sinek, purpose is not about what you do, but it is about why you do what you do. It's the big-picture answer to the question, "What is your reason for being as an organization?" Most companies have spent time working on "the what" and "the how" but have not really gained

deep clarity on “the why.” And absent that, you are more strategically vulnerable to not adjust to today’s environment of rapid change. You are also vulnerable to the chance that your people will not have an authentic and meaningful connection to your company, leaving them feeling more like a cog in a wheel.

If you are not sure how to authentically make purpose the driver of your company, try this. Look at any successful person or company in history that you admire and really listen to the conversations about that success. Watch people tell their company story or observe how people passionately discuss what they do. In almost every case, the idea that they are a part of something bigger than themselves will surface.

When Tim Cook, the CEO of Apple, was asked to only commit to those activities that were profitable, he responded by saying, “When we work on making our devices accessible by the blind, I don’t consider the bloody ROI.” That goes for many areas Apple pursues. According to him, the company does “a lot of things for reasons besides profit motive. We want to leave the world better than we found it.”<sup>7</sup>

Apple is one of the most profitable companies on the planet and has been for some time. Cook’s point is not that Apple doesn’t care about profits. But profits are merely the outcome of being a company that is focused on creating unique value for its customers and doing things the right way. Cook knows that is important to him, to the people working at Apple, and to most people buying Apple products. It’s not only the right thing to do; it is actually the smart thing to do.

While a meaningful purpose is important, it’s also crucial to understand that this can raise difficult questions that teams need to be ready to wrestle with. CVS is the perfect example of such a situation. In September 2014, CVS stopped selling tobacco products because such products went against its purpose of helping people

on their path to better health. The company understood it would take a significant short-term revenue hit, but the purpose of the company was the main driver.

After a few months of not selling cigarettes, CVS conducted a study of the impact this change had in states where its pharmacy share was prominent. The results were astounding. The company found that tobacco sales in those states across *all* retailers decreased by 1 percent in an eight-month period. That is a reduction of five packs per smoker and an overall reduction of 95 million packs of cigarettes in those states! That is living your purpose.

While CVS lost significant tobacco sales, the company also gained a lot of respect from many customers and employees because it showed it was serious about what CVS stands for. The jury is out, but we would venture to guess that over a 10-year time frame, this will prove to be a very profitable strategic decision embraced both by CVS employees who feel that there is an authentic commitment to purpose and by customers who show a greater degree of loyalty and trust toward the company.<sup>8</sup>

Purpose ultimately requires great conviction and courage from leaders. Their focus must be on something larger than themselves and creating or fostering that in their organizations.

## CREATE AND TEST YOUR PURPOSE

Being a purpose-driven organization is hard work. It requires an organization to have an honest and authentic purpose that intellectually and emotionally resonates with people. Organizations where purpose really takes hold often take it one step further and invest in their people gaining a greater clarity of their own personal purpose at work and how that connects to the larger ambition of the organization. Both ideas together can unleash game-changing performance, and we will explore them next.

Not surprisingly, one of the first companies to capture the power of purpose in business before it was on anyone's radar screen was Disney. Van Arsdale France worked for Disney in the 1950s, founded the University of Disneyland, and was a key contributor in bringing Walt Disney's dream of Disneyland to life. He was passionate about pitching his larger idea about connecting every employee to that larger dream and "get everyone we hire to share in an intangible dream, and not just work for a paycheck."

In his pitch to Walt Disney and the rest of the executive team, he said, "Look, the purpose of Disneyland is to create happiness for others. . . . You may park cars, clean up the place, sweep the place, work graveyard, and everything else, but whatever you do is contributing to creating happiness for others."<sup>9</sup>

While a statement like this can be a powerful beginning, it is the spirit within and throughout the organization that is most important. Take Apple again. Its true north is to think differently. Apple believes that products should be beautiful and that interactions should be intuitive and inspirational. And we all know that is exactly what Apple products do. Before Apple, this was difficult to say about any product in the technology space. So what makes an effective organizational purpose statement?

### *Create Your Organizational Purpose Statement*

We have seen dozens of different purpose statements of varying quality. The meaningful and most effective ones tend to share four qualities. They are outlined in Figure 1.3. In reviewing the four guidelines in this figure, you will get a better understanding of how to create an effective and meaningful organizational purpose statement.



**FIGURE 1.3** Purpose guidelines

We will use our organization, Root Inc., and the thought process we went through as an example that might be helpful before you get started thinking about your organization:

What is your organization's desired impact on people or the world at large?

*We are dissatisfied with the fact that it is OK that the majority of people in the workplace are disengaged and we want to unleash the human capability that is silent every day.*

What would be reflected in a purpose that is unique to you?

*The engagement of people in a way that connects their hearts and minds in the business story.*

How would your organizational purpose provide strategic inspiration?

*We need to build services and capability to help leaders be better leaders, managers be better managers, and individuals be better contributors. We also need to be sure that in a rapidly changing world of technological innovation, we do that in a way that is relevant and meaningful to today's workforce.*

What is there about your organizational purpose that would speak to the head and the heart?

*It is really important for us that we invigorate and inspire people to not just want to change, but to lead the change. That often starts at work, but when we invigorate them the right way, it impacts all aspects of their life.*

Now go ahead and answer these questions with your own organization in mind. Once you have done this, review your notes and take a few minutes to create a draft purpose statement for your own organization. If you already have an organizational purpose, there is an activity at the end of the chapter to test its strength and effectiveness.

What is your organization's desired impact on people or the world at large?

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What would be reflected in a purpose that is unique to you?

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How would your organizational purpose provide strategic inspiration?

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What is there about your organizational purpose that would speak to the head and the heart?

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Now look at your notes for all four questions and take a few minutes to create a draft purpose statement for your organization. Following is our company's purpose statement, which you can use as inspiration for getting started, and below that is a place for you to create your own statement.

## Root's Purpose Statement

*Invigorating the power of human beings  
to make a difference*

Your Company's Purpose Statement

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Once you have a statement you feel excited about, run your ideas past a few other people and see if they have similar thoughts about the four guidelines and your purpose statement draft.

### Organizational Purpose in Action

In the book *Leading with Noble Purpose*, author Lisa Earle McLeod asks a powerful question: “What if your work mattered so much to you that—on your deathbed—you found yourself wishing for one more day at the office?” She suggests that while we may have all heard that no people on their deathbed wish that they’d spent more time at the office, it is intriguing to consider, what if we did? What if we authentically felt that way? A way where the same quality of experiences and relationships that we expected and nurture in our personal lives we found and experienced in our professional lives. Boy, would that shatter the current apathy and indifference in the workplace! Better yet, what if we lived a life where a day with those we love and a day at the office with those with whom we share a common purpose had a similar sense of importance, meaning, and joy?

Arguably, the best comment McLeod leaves us with is this: “We have allowed the money story to replace the meaning story.”



She argues that we have made some faulty assumptions about work, and those assumptions support a belief structure that meaningless or purposeless work is OK.

The most humbling and special experience both of us had when it comes to the impact of being a purpose-driven organization was when we were together at a business meeting in Chicago and received a voice mail. It was from Arden Brion, a managing director of our healthcare practice. He had been near Philadelphia earlier in the day for a presentation with a prospective client, and during the meeting he had felt shortness of breath and a tearing in his chest and was losing his strength. He was quickly rushed to the hospital, where he was diagnosed with an acute ascending aortic dissection, Type 1. In laypeople's terms, it means a tear occurred in the aorta, causing blood to flow between the layers of the aorta. This often compounds itself, and the artery essentially starts leaking blood, frequently leading to rapid death. It is what the actor John Ritter died of unexpectedly in 2003.

The doctors had diagnosed Arden that afternoon and told him that the odds were greater than 95 percent that he would not survive. He had about 90 minutes until they put him under and operated, and the attending ER physician suggested he make final phone calls to his family.

After Arden called his family, his next call was to us, and it was a message we will never forget. He thanked us for the wonderful times we had together and the privilege it had been to work for the company. He mentioned several people within the company he wanted us to pass his thanks on to. He was simply grateful and wanted to wish us a happy goodbye while he still could. He said that working for Root was one of the great privileges of his life, and it allowed him to make a difference.

We were tearing up, concerned, and stunned that with perhaps less than 90 minutes to live, Arden had called us—guys he was

working with. It speaks of tremendous grace on his part, and the message was one of the most reaffirming things either one of us has ever experienced as a leader.

Most importantly, Arden beat the odds, and we had the privilege to visit him in the ICU a couple of days later. We now celebrate his “new birthday” each year, and Arden just celebrated his new-life fourth birthday!

While that is thankfully an unusual circumstance, the situation does raise the question of how many people in the organization would be excited to spend additional time in their job helping you deliver on your purpose.

### **The Importance of Conviction**

In order to activate purpose at your organization, your leaders must have conviction in that purpose while also being clear on their personal purpose at work. People generally have a desire to bring their best selves to work, but if you or they are not sure what that best self is, it’s hard to consistently bring it or know when and where to apply it. Great organizations don’t just have an organizational purpose, but they bring out personal purpose in individual people as well.

When we talk about personal purpose, we don’t mean an all-encompassing answer to what makes you happy in life. That’s a bonus. We are referring to understanding what makes you happy and most effective at work. As a leader who wants to be truly purpose driven and have teams that are as well, you must ask yourself the following questions:

- Do I know what drives, motivates, and inspires the people working on my team?
- Do I know the core strengths and passions of my team?
- Do I know what each person’s personal best is and understand how to activate it?

- Do I know the personal purpose of the members of my team?
- Do I help individuals bring their purpose to life?
- Do I know how to connect people's personal purposes to the larger purpose of my organization?

Once you can answer yes and elaborate on each of your answers, you will be ready for a game-changing performance.

Simon Sinek wrote in his book *Start with Why*:

Studies show that over 80 percent of Americans do not have their dream job. If more knew how to build organizations that inspire, we could live in a world in which that statistic was the reverse—a world in which over 80 percent of people loved their jobs. People who love going to work are more productive and more creative. They go home happier and have happier families. They treat their colleagues and clients and customers better. Inspired employees make for stronger companies and stronger economies.<sup>10</sup>

If you want to create an organization in which 80 percent of your people are excited to come to work and are vested in the success of the business, your people need to know and feel that you are fully vested in their success. They need to see how they connect to the purpose of the organization and how their contributions make a difference.

### *Test Your Organizational Purpose*

Now that we have the purpose statement that we worked on earlier, let's work on testing the effectiveness of this purpose. While you can do this work on your own, it is best to have a team of three to five people work through these questions together.

Decide on the strength of each guideline, and circle the strength on each of the four dimensions shown in Figure 1.4; then draw a line connecting each number you circled to create some form of a square. If you are working as a group, it can be of great value to do this activity individually first and then compare how each of you rated your organizational purpose statement.

Insert your current organization purpose statement:

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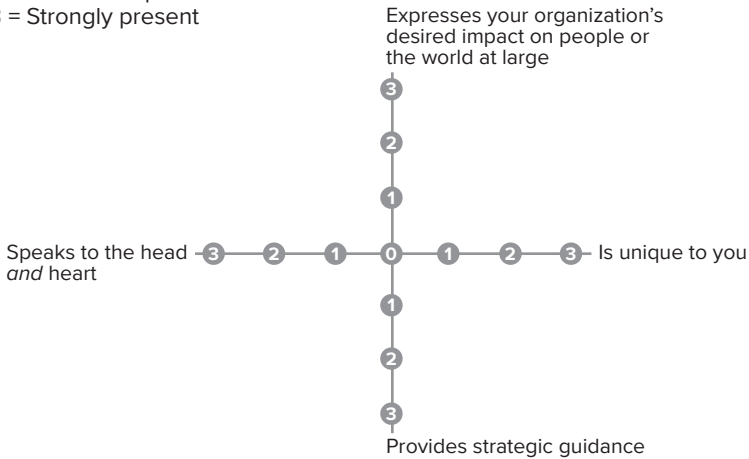
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Evaluate the strength of your organization purpose.

- 1 = Not present
- 2 = Somewhat present
- 3 = Strongly present



**FIGURE 1.4** Test the power of your organizational purpose.

Next see where you might be able to improve your statement. For guidelines that were ranked below a 3, write down ideas for how you might be able to strengthen your purpose statement:

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Write a new purpose statement integrating your ideas:

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### *Purpose Gut Check*

Let's apply one other filter to help gain clarity on the tangible impact your organizational purpose statement should have on your key stakeholders. How will your organizational purpose statement help you drive greater impact for . . .

Your customers?

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Your people?

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Your other stakeholders (shareholders, community, etc.)?

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Once you have an organizational purpose statement that you feel both you and your team are connected to, allow this to be an enabler to your business. Really think about how you can embed it into the day-to-day activities of your business.

- How does your purpose shape or influence your strategic planning?
- How are you integrating your purpose in your communication and engagement with others?
- Where and how is it getting integrated into critical meetings as a discussion point to drive action?
- Where and how is it getting integrated into the mindsets, habits, and skills of your organization?
- What are your mechanisms for celebrating when you see your purpose being activated in a powerful way?

### *Link Personal Purpose to Company Purpose*

Now that we've created, tested, and refined our organizational purpose, we need to establish our personal purpose as well. But before we get there, let's take a look at a real-life story that shows exactly why it's so important to have both.

Steve S. had played football at the high school level and had a legitimate aspiration to land a scholarship in college—that is, until Steve suffered a knee injury that ended his ability to compete. All that Steve had envisioned of how his next few years would play out

changed overnight. Playing the game he loved in front of thousands of fans was no longer possible. While this, unfortunately, could have set Steve back, he refocused, attended the U.S. Naval Academy, and years later is the senior executive of a large restaurant chain.

The experiences of suffering through that injury and finding a new course for his life stayed with him and shaped his perspective and thinking—so much so, in fact, that Steve’s personal purpose at work now is to create a safe place where people are comfortable taking risks and can reach their full potential.

Steve’s newfound focus was a game changer for the company. His organization had significant growth ambitions and a desire to open over 500 franchises in a very short time frame, and Steve was at the head of this companywide change. But the culture of the organization was such that taking risks was avoided because it seemed like the safer and smart thing to do. Enter Steve. His personal purpose was perfectly suited to creating an environment at scale where it felt safer to take a risk and pursue the ambitions of the company. Steve helped his team lead the way in opening up hundreds of new restaurants around the world and being a major growth driver for the company.

### *Create Your Personal Purpose Statement*

Steve’s story is the perfect example of how important it is to have both an organizational and personal purpose. We have found that organizations that create the time and space for people to create their own personal purpose are more effective in truly embedding organizational purpose into their companies. Creating a personal purpose statement will establish a meaningful connection to your work and help you to become the best possible version of yourself at the office.

Before creating your own personal purpose, let’s use Steve’s story as an example that might help you think about yours.

### *Steve's Personal Purpose Statement Worksheet*

What are your work and life experiences that shaped you as a person?

*The physical injury in athletics forced me to change course and embrace the risks of a new adventure.*

What are the unique skills and talents you can offer the world?

*Get comfortable with the unexpected and turn it into a growth opportunity.*

Imagine you are reflecting at the end of your career. How would you want to be remembered as a leader? What is your impact and legacy?

*To be remembered as someone who helped people get comfortable with the discomfort of risk taking.*

Considering the reflections above, write your personal purpose statement:

*Create a safe place where people are comfortable taking risks to reach their full potential.*

How does your personal purpose statement best serve your organization?

*I was able to inspire a team to lead the international expansion of the organization by opening over 500 franchises in rapid pace around the world.*

Now take 10 to 15 minutes to work through these same questions to establish your personal purpose statement.



*Personal Purpose Statement Worksheet*

1. What are your work and life experiences that shaped you as a person?

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2. What are the unique skills and talents you can offer the world?

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3. Imagine you are reflecting at the end of your career. How would you want to be remembered as a leader? What is your impact and legacy?

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4. Considering the reflections above, write your personal purpose statement.

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5. How does your personal purpose statement best serve your organization?

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## CONNECTING THE DOTS

Most leaders have dealt with personal and organizational purposes superficially without fully recognizing either and therefore are not activating purpose authentically and effectively within their organizations. This first leadership blind spot all but eliminates the true impact and effectiveness that truly purpose-driven organizations possess and why they outperform.

While we may have overcome the first blind spot, this is only the beginning. Chapter 2 explores why stories, or lack thereof, can be responsible for wasting millions and may be hurting your company more than you know.

# About the Authors

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**Jim Haudan** is Co-Founder and Chairman of Root Inc. Root Inc., the organizational change expert on helping companies create leadership alignment, execute strategies and change successful, build employee engagement, and transform businesses. He is a sought-after business presenter who has spoken at TEDx BGSU, Tampa TEDx, and Conference Board events.



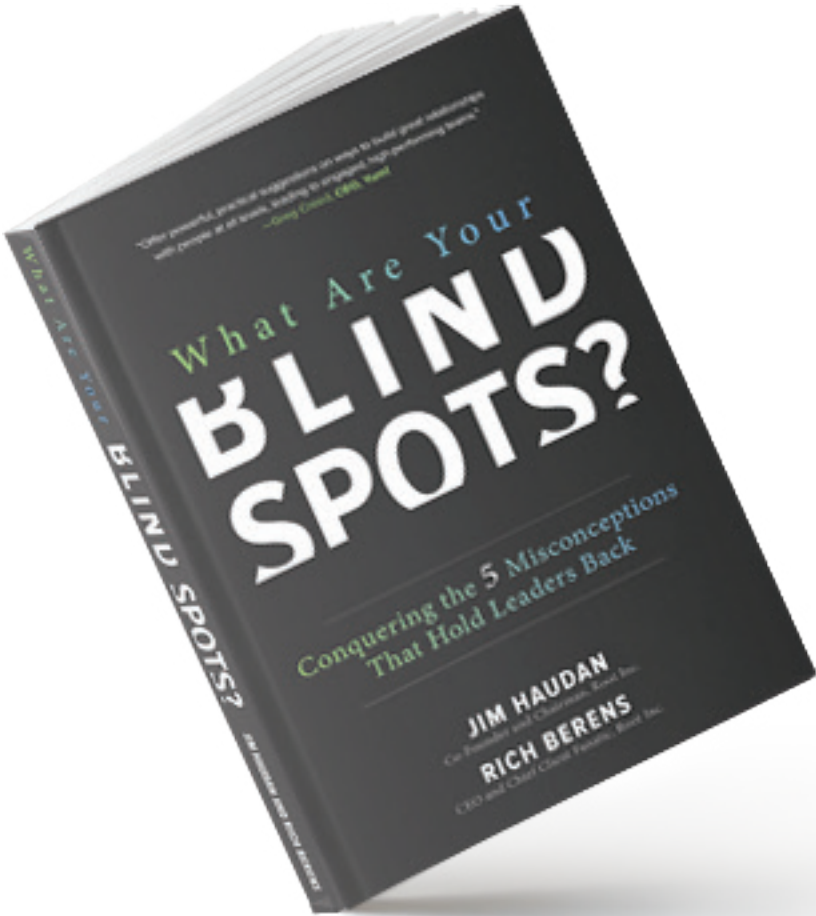
**Rich Berens** is CEO and Chief Client Fanatic of Root Inc, and has helped align leaders at Global 2000 organizations to drive strategic and cultural change at scale. He is a noted speaker on the issues of, transformation, and how to create lasting change and has authored articles for numerous publications and blogs. Under Rich's leadership, Root has been listed among the Great Place to Work® Institute's top 25 places to work, been named to the Inc. 5000 fastest-growing companies list, and experienced 10 years of consecutive growth.



**About Root Inc.:** The world's most respected organizations partner with Root Inc. to realize positive change. Root activates, motivates, and inspires people to accelerate the speed of change through a combination of disruptive methods, storytelling, and interactive experiences. Root's process of defining the future, building an organizational movement, and creating lasting change is backed by proven research and has evolved over 25 years. A bold culture and international reputation for results has attracted two out of every three of the Fortune 50 to work with Root.

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