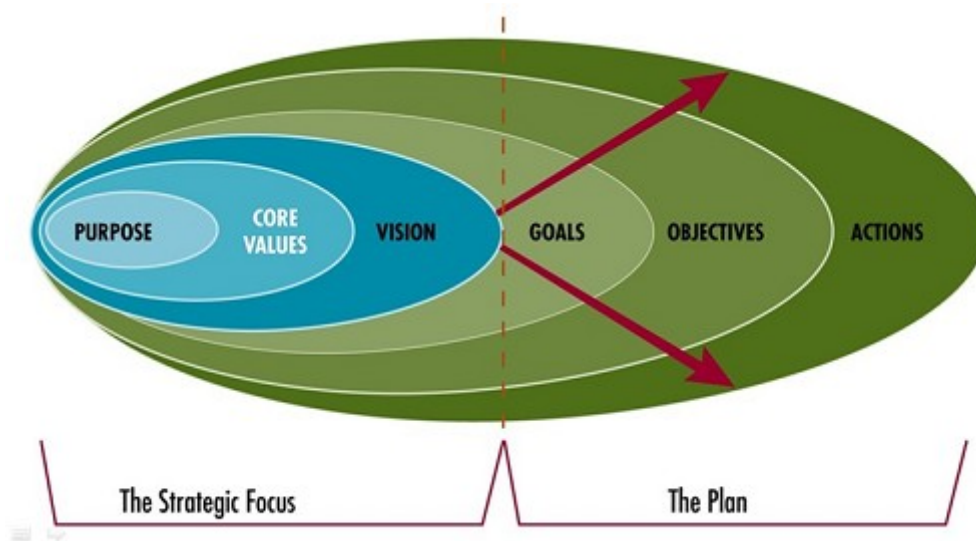


The First Ring: Purpose

by Eric Douglas, CEO of Leading Resources

In order to align the core values, you need to view them as part of a coherent framework, a way of communicating what the organization is all about and where it is going. "[The Six Rings Model](#)" is this framework.

The Six Rings Model



The First Ring: Purpose

Purpose is the first ring. It communicates why the organization exists. Purpose is fundamental. By clarifying purpose, you sharpen the direction of the entire organization. The test of a purpose is this: Does it tell people why the organization exists and what it fundamentally does? Is it concise and easy to understand? Does it communicate by implication what you *don't* do?

A company should know why it exists, right? Yet purpose can be exceedingly elusive to define. Disney and Merck have both struggled to reconcile their shareholders' demands for quarterly profit growth with the goal of innovation, whether it be artistic excellence (Disney) or basic scientific research (Merck). Their purpose statements have provided them with needed clarity during these clashes.

A purpose statement doesn't sum up everything that the organization does. It's just the first ring. But it needs to be very clear. Disney's purpose is to make people happy. Southwest Airlines' purpose is to provide low fares. That's it. Clear and simple.

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The Six Rings Strategic Planning Model
Leadership Tools for Accelerating Change