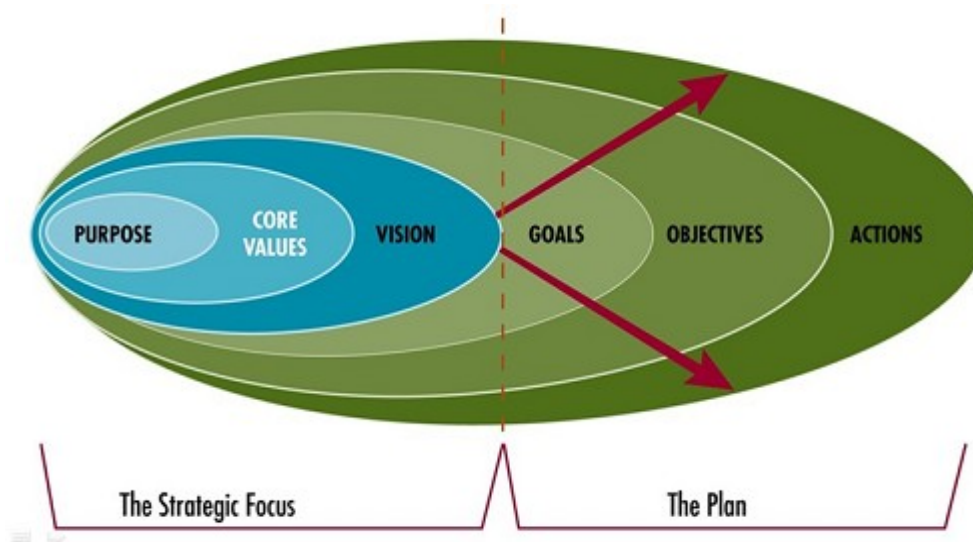


The Strategic Framework

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 Six Rings Model looks the same whether you are JC Penney or the White House. The beauty of this model is that you start in the first ring and work your way outward. Each ring provides a different perspective - or lens- with which to define your company. When one ring is done you move on to the next. It's an iterative process: the work on one ring informs the work on the others. Each successively narrows the aperture and defines the specific ways in which the organization creates value for its owners and its customers.

The first three rings together form what I call the "strategic focus," a nexus around which all activities are coordinated and organized. Will we make this product? Yes, because it's consistent with our strategic focus. Will we enter this market? No, because it conflicts with one of our core values. In short, when you have a well-defined strategic focus, you can make sound, consistent decisions at all levels. Having the strategic focus is the first quantum leap that leaders make to build a light speed organization.

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.

Contact Leading Resources, Inc.

info@leadingresources.com

(916) 325-1190

The Six Rings [Strategic Planning Model](#)

[Leadership Tools](#) for Accelerating Change