

Dick Maggiore: Why does your company do what it does?

By [Dick Maggiore Special](#) to The Canton Repository

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Why do we pay \$1,000 for an iPhone X? Why do we pay \$5 for a cup of coffee?

Many companies struggle to find their “[why](#).” They believe if they find it, they will be able to sell more of their products at higher prices. They’ll also be able to recruit and retain better employees.

The “why” is gaining traction in business. Simon Sinek’s 18-minute TED video on the subject of finding your “why” (<http://bit.ly/1w2ZyO5>) makes a compelling case that we don’t buy what you do as much as we buy why you do it.

He’s claimed to codify why Martin Luther King led the Civil Rights Movement. And why Orville and Wilbur Wright figured out how to fly while the better-qualified and better-funded Samuel Pierpont Langley didn’t. And why Steve Jobs’ company became the largest in the world.

Sinek calls it the Golden Circle.

Picture three concentric circles with the second larger than the first and the third larger than the second. He writes “why” in the center circle, “how” in the middle circle and “what” in the largest circle.

Sinek explains the center two circles, the “why” and “how,” correspond to the center of our brain, the limbic system. The outermost circle, representing the “what,” corresponds to the outer part of our brain, the neocortex.

Sinek says the Golden Circle is grounded in biology, not psychology. The limbic system is about emotion and feelings. It’s nonverbal. It’s where decisions are actually made. Then it sends signals to our neocortex for rationalization and taking action.

He is right about the way the brain works. Decision-making is driven by our emotions.

“Why” is defined by why your company exists beyond making money. Money is the result, but “why” is about a deeper understanding of the underlying emotion. It’s what drives the people in the organization and what drives the customers to purchase its products.

Consider the following two passages. Which is better?

We sell kettle-cooked chips. They're made from the highest-quality Idaho potatoes cooked in the purest canola oil. We offer the lowest price of most competitors. Would you like to buy some?

Or:

Our chips will bring smiles on your family's faces. You can taste the love in every chip. It's why we use only the highest-quality Idaho potatoes and cook them in the purest canola oil. Would you like to buy some?

The first pitch is rational. The second pitch is emotional. It starts with the “why,” emotion to spark the limbic system, then gives some credentials to satisfy the neocortex. The second pitch wins.

Simon Sinek isn't the first to talk about an organization's reason for being. James Collins, author of “Good to Great,” calls it “a small set of timeless guiding principles ...” Others have called it the organization's purpose, mission, vision or its core values.

Some “why” examples are:

- Amazon is to be the earth's most customer-centric company.
- Walt Disney makes families happy with fun entertainment.
- Apple believes in thinking differently and challenging the status quo.
- Mary Kay Cosmetics enriches lives of women around the world.
- Walmart is saving people money so they can live better.
- Google is organizing the world's information and making it universally accessible.
- Starbucks inspires and nurtures the human spirit one person, one cup and one neighborhood at a time.
- Nike is about the inner athlete, the inner champion in all of us.

The goal is to sell to people who believe what you believe. They are your target, core customer. You will attract those who believe what you believe.

As you think about finding your why and weigh the nuances, you will begin to gain a clearer picture about your business, organization or even yourself.

Your brand positioning strategy is inexorably linked with your why.

Clarity is critical. Clarity contributes to focus, and focus is the foundation for creating a purpose-driven company. Businesses that know exactly why they exist have a far better chance of success. Those with fuzzy focus are more likely to fail.

So ask yourself, why does your company do what it does?

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