

# Rethinking Our Organizational Wants

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“You are not  
what you feel  
and you are  
not what  
you think.  
You are what  
you want.”

*Jonathan Edwards  
American philosopher  
and theologian*

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‘Want.’ What does your organization really want? Call it purpose, or strategy, or mission, or aspirations — many organizations are painfully reexamining themselves on that most basic of questions.

The late Stanley Marcus, Chairman Emeritus of Neiman Marcus, had a simple way of defining the company’s purpose. “The purpose of business is to provide products or services that the market would be willing to pay you a profit for.” His definition makes explicit that the value received by the customer is the driver of profit, and therefore if you want more profits then your wants must begin with delivering more value.

Many recent wants have fallen out of favor as it became increasingly evident that too much of the wanting was around getting value rather than giving value. Stock price, management gain, short-term profits. These wants are bereft of value for customers. They are wants that need to be earned out of value delivered.

Mature industries like airlines, fast food, telecommunication, and financial services have become quite adept at zeroing in on the stock price or EPS they want to achieve. They have honed a competence in creating “Street” expectations. Their ability to measure and report on these measures has never been stronger.

What most have not matured in equal part is the ability to define and create the distinctive value they want to deliver that will produce — that is, earn — those results.

That is partly because there can be an intrinsic conflict between the two. What drives predictable results is careful control of mechanics and process. What drives customer value is a commitment to creative experimentation, constant learning and invention, and continual mining of the corporate value proposition. “Process versus content” is how the conflict is often framed and often played out on management teams.

Like people who are either dominantly right-handed or left-handed, many organizations have become process-dominant and content-passive. The mechanical steps of process often swamp the creative processes of value creation, draining the organization of what probably formed it in the first place — an excitement about delivering something of unique value to customers.

We see a recognition of this danger when companies like Coca Cola and Gillette announce they will no longer provide forward earnings guidance. Disproportionate emphasis on hitting quarterly earnings numbers destroys value in many small, insidious ways. Hitting quarterly targets is a basic job of managers, but it is the outcome of an organization focused and executing on the right set of wants.

I believe there are three key steps that are fundamental to re-thinking the aspiration of an organization — the corporate “wants” that lead to value.

Focus on how to give more as the prerequisite to getting more. This simply comes down to creating a corporate priority for value creation. Top management explicitly embraces a mindset of value creation. They pay incredible time and attention to what creates value for customers, imbuing the same mindset in middle managers.

Identify the specific areas where your organization can deliver more value. Precisely where? Certain customer segments, or certain products or services? Delivery? Or better integration of the value chain? Define these areas with all the rigor and detail you typically apply to hitting your quarterly revenue and earnings targets.

Define the leading indicators that will anticipate early success or failure, so that you accelerate the organizational learning. If it works you call it success and if it doesn’t you call it learning and you apply what you have learned to enhancing value.

(A word of warning. If your culture is already process-dominant, it is easy for the value-creation effort itself to be inadvertently subordinated to process. There IS a process for value-creation, but it is a culture-building process, not a rules-producing process.)

Our wants expose our true intentions. Every day, our people — our employees, customers, shareholders — tell us by their actions whether they find our intentions worthy and credible.