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( a business manual for generation why )

by **mike edmonds**

with ronnie duncan

WILEY



**truth. growth. repeat.**



# **truth. growth. repeat.**

( a business manual for generation why )

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## hello, i'm rachel

I was standing in a long queue at a rental car booth late one night. You know the place. One of those little huts tucked away in an airport car park. A few flights had just arrived and there were six or seven of us waiting in a line that went out the door.

Inside, there was only one customer-service agent. She wore an expression of blank despondency and a tag with the words, 'Hello, I'm Rachel'.

As I waited for Hello, I'm Rachel to print out each person's contract on the 1980s dot matrix printer that rental car companies seem to be keen on preserving, I noticed a little laminated sign stuck on the wall next to me.

It was titled 'Our Purpose' and it stated:

*Dear Valued Customers. Our Purpose is to Drive the World Forward™. That means providing you with the latest models of today's popular auto brands and giving you the very best in customer service excellence.*

I looked at Hello, I'm Rachel as she asked the next tired traveller for their licence and credit card without making eye contact. I looked at the water cooler with no cups. And the one chair. And the old magazines.

*Only by anticipating your every need can we help you get to your important business meeting or family reunion faster and easier. Our Super-Server Team™ is ready to ... blah blah blah.*

I looked at the people around me swiping their smartphones or staring at the floor as poor Hello, I'm Rachel recited the same insurance upsell monologue we'd all overheard a number of times now.

I sighed and thought what everybody else on the planet thinks when a company makes a promise these days.

Yeah.

Right.

I bet that at some point in the previous 12 months Rachel had sat in an auditorium somewhere with a few hundred other employees as their new confident'n'captivating CEO delivered an important PowerPoint presentation. About her rental car company's amazing New Purpose. Full of words like 'excellence' and 'innovation' and 'demographics'. With a snazzy video of happy car rental customers edited to the tune of whatever song was currently number 3 on iTunes. And ending with the big reveal that we're now 'the car rental company with Car-isma!™'

And like the dedicated employee that she is, Rachel would have sat there trying to remember the new list of five corporate values and trying to set aside her cynicism at having heard all this before at their last big company rah-rah, when the last confident'n'captivating CEO revealed that they were now 'the Happy Car Rental Company™'.

Rachel would collect her brown paper showbag with the Car-isma™ sticker on it and the Car-isma™ mug and mouse pad and the great little Car-isma™ Spirit Book that looked so well designed and professionally printed. And she would go back to her little airport booth and give it a good shot. She would genuinely try to put her cynicism aside and understand



how Car-isma!<sup>TM</sup> might influence how she did her job. And she would contribute her ideas for better customer service on the Car-isma!<sup>TM</sup> intranet.

But when management refused to add another person to the roster so Rachel could spend more time with each customer — and when they failed to renovate her tired little booth so that people might actually enjoy going in there, and when they didn't listen to her ideas about matching shifts with flight arrivals — she would eventually realise that all this New Purpose stuff is just pretend. It's not real. So she won't be either.

And she would gradually evolve into that blank, coldly efficient humanoid I saw at the airport that night.

This book is dedicated to all the Rachels.

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# introduction

Do you believe that telling the truth and having respect for others is more important than manipulating people for financial gain?

Good news. Your time has come.

The age-old tension that has existed for eons between the Seller and the Buyer is finally coming to a head. That fundamental distrust about what a Seller claims is their motive and what their subsequent behaviour reveals their motive actually is.

From snake oil salesmen in the 1800s declaring their interest was entirely in the health and wellbeing of their customers, to modern-day banks promising that people's happiness is their primary concern, the Seller's pitch to the Buyer has always been the same: we want what you want, we feel how you feel, we empathise with your needs.

Generations of consumers soon learned that this was ... well ... bull manure. Because of what happened after the money was handed over.

*Gosh, darn it, that snake oil I purchased was worthless. I believe that salesman knew precisely what to enquire of me in order that I should furnish him with my money.*

*Ergh, my bank charges me a higher monthly fee than they offer new customers and kept me on hold for 23 minutes when I called to ask about it. I think they just research what a working stiff like me wants from a bank and then pretend that's who they are in their ads.*

Have you ever felt like that? It's like we've all been playing a giant board game called *Caveat Emptor*, an ancient Latin phrase meaning *buyer beware*. In this game, Buyers kind of know they can't trust Sellers but they tolerate them, and Sellers kind of know that Buyers don't believe them but still pretend to be driven by what Buyers want.

In recent times the game has become increasingly sophisticated as imaginative brand communications driven by advanced research and big data follow us into every new medium on every new device. But the result is the same: consumer cynicism about companies' motives and a growing distrust about capitalism in general.

What a huge shame! The concept of capitalism is actually a terrific idea. Seriously. Throughout history it has been shown that an open market drives innovation and creates jobs, which helps people house and feed themselves and live longer, healthier lives. It leads to lower infant mortality rates, higher levels of literacy and fairer welfare systems.

Capitalism may have mutated during the 20th century into the shadowy spectre of greed many people see it as today, but at its core the theory of an economy being free is a good one. It brings out the creativity and industriousness in us humans and gives us choices about how we want to apply our talents and make a living.

Thankfully, the game of *Caveat Emptor* is changing. With a mere swipe of their index finger the Buyer can now share the truth about how the Seller is behaving. Instantly and globally. As a result, the Seller is suddenly finding that the TV spot they shot with that hot new French director has been made worthless two days into a six-month media schedule by a one-star product rating from a little old lady in Arkansas.

This new world of transparency is rewarding companies that are honest with consumers. Companies whose motive is to offer real value and genuine usefulness. Because they want to. Not just because that's how you attract customers.

At the same time, the savvier, connected consumer is punishing companies that under-deliver on their promises and hide behind brand image and PR spin.

In effect, capitalism has begun a new era. One in which the best way to guarantee a sustainable business is to tell the truth. Honesty is no longer just a fluffy credo your mum urged you to follow so you could get into heaven; it is rapidly becoming the only way to run a profitable business.

This book has been written to help the people who are fuelling this new era. A new generation of business owner. The car mechanic who believes the big auto-servicing firms aren't being entirely honest about what goes on in their workshops. The two friends from university who believe there's a more fulfilling way to help corporations recruit new employees. The housewife who believes her online store will be more helpful for new mums than the big brands at the mall.

This is the 'Generation Why' I refer to on the cover. Any person of any age with a yearning to start a business designed not just to make money, but to make a stand. For truth. And value. People with honourable motives who want to put their Why at the core of everything they do in business.

If you'd include yourself in that group the question becomes: What is your truth? What is authentically motivating you — and the staff you have or will have — to deliver something of real significance and worth to your customer? Without exaggeration, without spin, without preying on people's self-doubt and vulnerability. What is your True Purpose: that higher ideal that will align your consumer promise with your actual behaviour?

This book explains what True Purpose is and why you need to know yours in order to survive in this always on, super-connected world we now live in. It gives you proven tools to surface this truth; and it provides you with a system to implement it, to measure its success and to keep growing, improving and succeeding.

I have worked in the marketing industry for close to 40 years. In 2004 I co-founded a new kind of branding company, Meerkats. One that doesn't just give companies a cool image, but helps business owners unleash the commercial viability of what truly motivates them. For over a decade we have been applying the methods shared in this book to such great effect that we felt compelled to share it with business owners everywhere. Especially the ones who might not be able to afford a professional consultancy like ours.

My aim is to give you a jargon-free instruction manual on how to do what you love, make it commercially viable and maybe, just maybe, help change the misconceptions about capitalism as an idea to advance humankind.



## how to use this book

If you're like me, the way you read business books is a little different from the way you read a novel. At the start, you study every word like an eager student. But after a chapter or two you begin to skip the bits that bore you. Or maybe you fast-forward to the next chapter the moment you think you've grasped the author's meaning on a particular theory. Or you jump to a whole other section with that eye-catching title you spotted in the Contents.

Hey, I empathise. We're all smart, busy people. We live in a world of snack-sized information: the two-minute YouTube video, the 20-word Tweet; even the Harvard Business Review includes a summary panel at the end of its longer articles.

This particular book, though, is not so much a collection of theoretical points, but a step-by-step 'how-to' guide to doing what you love, earning a good living from it and making a difference to the lives of others. Perhaps many, many others.

## read it like a workshop manual

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There are three main parts to this book. And I humbly ask you to read the first part first. It really is in your best interests. If the content of the first part doesn't resonate with you, then the second part won't work and you may not even need the third part. Let me give you a snapshot of these parts and see if you agree:

- Part One explains what True Purpose is, how The Circle of True Purpose works and why I believe it is such a potent system for anyone wanting to grow a purpose-driven business in this transparent world we all now live in.

It essentially establishes the context for the self-help work in part II: what is going on in the world that we believe demands an evolution of the way capitalism works.

You know how diet and exercise books start by asking, 'Sick and tired of being sick and tired? Feel listless all the time? Do you want to run and play with your kids? Is there a healthier, more vibrant person inside you just busting to come out?'

In this case I'm asking, 'Sick and tired of compromising your integrity at work? Feel like companies aren't telling you the truth? Is there a True Purpose inside you that could trigger an amazing business? Want to make money *and* a difference in your life?'

By sharing the things I think conventional business is getting wrong, and what I believe are the solutions, I hope to light a new fire inside you. A fire that's fuelled by truth. I want you to get to the end of part One and not just say, 'Uh huh, I understand'. I want you to be smiling to yourself and saying, 'Yes! This is so true. This is exactly how I feel. This is the itch I've been feeling but couldn't explain!'

I figure that unless you're a little stirred up about all this, you may not have the drive to properly tackle the purpose exercises in Part Two.

- Part Two is a personal workshop to help you surface your True Purpose and apply it to either an existing business that you're already running, or a new business you want to start.

A common myth in business is that a company owner can come to a branding expert like me and 'get' a brand purpose. They think we just pick them off a shelf and package them up for our clients. 'Hey, Jeep has an Explorer brand meaning — gimme one of those.' Or 'How about that cool brand purpose Harley Davidson has — the Rebel — yeah, gimme a Rebel'. 'No wait, Google is the Sage, maybe that's what our customers want.'

The truth is we don't create purpose for our clients, we surface it. We believe there is only one brand purpose that will work for you: the one that lies inside you. The truth about what motivates you.

The way we do that professionally at our purpose-driven ad agency, Meerkats, takes a considerable amount of time and money. So I've condensed the key parts of this process into five exercises that you can do yourself.

Part Two explains these exercises, gives you examples of other business owners who have successfully used them and then guides you through the process.

- Part Three gives you important advice on implementing the True Purpose that you have hopefully uncovered for yourself. Including how to recognise the scale of the task ahead, how to prioritise your actions, how The Circle can be used as a kind of strategic compass during your journey and a bunch of street-smart tips that I've gathered from decades of helping others do exactly this.

The final chapters contain some background information that I felt compelled to share with you but didn't want to put at the front. I'd much rather you get stuck straight into the meaty part of the book and begin your journey of self-discovery. I figure if you find that enlightening and useful, you might want to then read about my company and me. But not before. This final section also includes some terrific books to read that have inspired and guided us.

## when you see the word 'business'

---

This book is for anyone who wants to be their own boss, to build their own little empire in the sun. Because you want to make a living doing what you love. What you feel strongly about. Whether that's a tech startup, a shop, an online service, a consultancy — you name it.

But the methods in this book will also help those who want to run a social enterprise or charity. That is, anyone who wants to gather a group of likeminded people around a powerful idea with the sole aim of making the world a fairer, better place for all, with no thought of wealth creation at all.

*Truth. Growth. Repeat.* can help you achieve any of these dreams because the thinking is equally potent for all types of organisations. For the sake of simplicity, however, I have consistently used the word 'business' when referring to whatever organisation you want to run.

Apart from not having to write 'company/startup/social enterprise/charity/etc.' 6000 times, I chose the word 'business' to represent every shape of purpose-driven organisation for a very specific reason. The thing I fear the most is that truth in business will be misunderstood as being just another soft, fluffy idea. Well-meaning but ultimately unprofitable. Created by goody-goodies who want to make everyone happy but not wealthy.

I reject that notion. In fact, I'm writing this book largely as a rebuff to all those traditionalist business thinkers who believe that money is the only god to serve. I want you and me to show them that the future of capitalism as a sustainable concept to advance humankind is all about telling the truth. That the desire to not just line your pockets but to help make the world a better place is not a 'soft value' that belongs on a dog-eared poster in the staff canteen. That in fact, in a transparent world inhabited by smart consumers, truth is becoming one of the most powerful generators of enduring financial return.

So while I absolutely want to help anyone with a dream of running any type of organisation, it is the world of business where the most righteous change is needed. That's why I have chosen to use the word 'business' as the generic term for all organisational types.

## **you don't need to be a boss**

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You don't need to already be running a business to get the most from this book. You can be on someone else's payroll and simply be planning to start your own company one day. You may be in your final year of university and aiming to launch a startup the day you finish. You may be a mother whose kids have grown up and you've decided now's the time to pursue that cool business idea. It doesn't matter. The principles still apply. The exercises still work.

For the sake of simplicity, however, I use the generic situation of someone already running a business as my primary reader. For example, I might ask you, 'What is the core idea fuelling your business?' If you don't already own a business, just replace the word 'is' with 'could be'. As in, 'What could be the core idea fuelling my own business?'

Create your own envisioned future. You'll get exactly the same value from this book as anyone who's already running their own business.

## there's no tax law in here

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I occasionally use formal business terminology like ‘strategic plan’ and ‘management hierarchy’ and ‘commercial viability’, but this book is not intended to teach you the practical aspects of owning and running a business. In fact, it assumes that you already know — or are planning to learn — the mechanics of business ownership in your country. Things like writing a business plan, doing your market research, understanding pricing and distribution, knowing the laws governing company ownership, being aware of the fiduciary responsibilities of a company director, and so on.

These learnings are the minimum non-negotiables of running an organisation of any size. The stuff you just have to know if you want to be your own boss. But they're not what this book is about. Because while knowing the brilliant basics of business ownership may help you avoid immediate failure, they don't always help you enjoy enduring success.

To me, knowledge of the mechanics of free enterprise is the concrete foundation on which you can build something extraordinary, not the extraordinary thing itself. I believe what's inside *you* is the extraordinary thing. And that's what this book deals with: unleashing the commercial potential of authentically motivated humans. So expect plenty of discovery and inspiration in the next couple of hundred pages, but no tax law.

## i'm not dr phil

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There are thousands of self-help books on shelves and online that will get you in touch with your inner seven-year-old and help you understand yourself. Many of them are exceptionally good.

This just isn't one of them.

Yes, the process of surfacing your authentic purpose as a business owner will touch on some deep personal ideals and emotional drivers. But I have to be careful that I don't inadvertently over-promise you what is possible from following these methods.

This book is about business purpose. I am primarily concerned with helping people start businesses for the right reasons. That they don't fail because they figured 'one business is just like any other so what does it matter which one I start as long as I'm my own boss?'

My primary motivation is the deep personal sadness I feel when I walk past a shop with a For Lease sign draped across it. The failure rate of small businesses in the first 12 to 18 months hovers anywhere from one-half to two-thirds in most free-market economies (which, let's face it, is most of the world now). Many of these failures occurred because people didn't understand what genuinely motivates them. So they started a business without the skill to run it or the incentive to acquire that skill.

This is my goal: personal insight to drive a business idea that motivates you authentically. Personal salvation may occur as part of that journey, but it's not my field of expertise.





part one:

**the circle of true purpose**

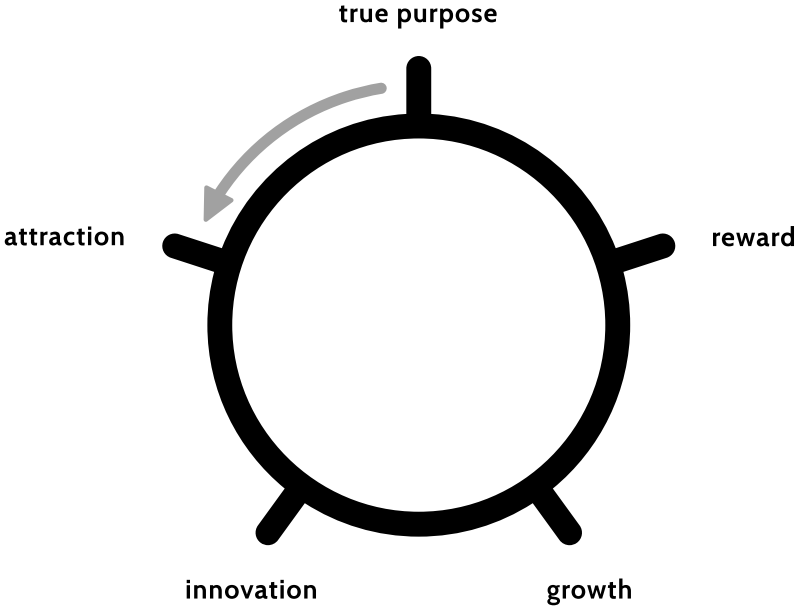


figure 1.1 - the circle of true purpose

# 1 truth is a system

There are a lot of virtuous circles in business. They pop up with predictable regularity in PowerPoint presentations the world over. They're second in popularity only to Venn diagrams and maybe the two-way matrix.

Virtuous means righteous. Any circle described as virtuous infers the process being discussed is one with a cyclic effect: that after a certain sequence of behaviour you will end up back where you started but in a better situation. And each time you go around The Circle you're making that situation better and better. Each point along the way magnifies the effect of the next, and the benefits grow.

After more than 70 years combined in the field of brand strategy, my business partner and I have seen virtuous circles for shopping habits, manufacturing methods, environmental sustainability, financial modelling — you name it. But a decade ago we stumbled across a virtuous circle about management motivation that made us stop in our tracks.

It was in a book called *Authentic Leadership* by Bill George. The book's main theme is that the age-old mandate of capitalism — that you exist primarily to serve the interests of your shareholders — had led to a mutated form of free enterprise. One that was actually delivering less value.

George reasoned that the path to long-term shareholder value was through CEOs embracing their own authentic vision and values, not simply taking on the increasingly self-serving motives of corporate America. George believed this would motivate staff to create products and customer service that will better serve the customer's needs. Which will lead to better and sustained shareholder value.

We loved how George put the knock-on effects of authentic leadership into a simple, self-fulfilling sequence that anyone could apply to their business. It appealed to us as practitioners. You see, we work where the rubber of business theory hits the road: branding and marketing. Our clients expect that our thinking will make something happen for them out there in the real world, sometimes within one working day. So we're very good at spotting theoretical ideas that can be put to work.

The only problem was we felt this particular virtuous circle was somewhat hidden in a book largely aimed at the CEOs of major corporations. And accompanied by detailed information on the practicalities of running those corporations in the United States. As valuable as those lessons would unquestionably be to many people, we felt they could be made more accessible to a broader group of business owners. We thought it could be turned into a simple tool for anyone thinking of running their own business of any size. A map to a better future that could be drawn on a napkin and understood by anyone, anywhere.

So we drew up our own version, simplified the language and added the best examples from our own experiences that proved the thinking. After more than a decade of use it has evolved into The Circle of True Purpose that you'll see in these pages. It's the most commonsense, powerful, useful, game-changing virtuous circle I know of — a five-step plan to a better kind of business. One that I believe will inherit the future.

In our own business, Meerkats: The Brand Leadership Company, we've used The Circle of True Purpose to help companies change from being motivated

by results to being motivated by a higher ideal. Companies in retail, banking, insurance, fast-moving consumer goods, telecommunications, education, healthcare, transport, leisure, entertainment, media and more. Every time, the new path they chose aligned with the five points on The Circle.

It's proven to be as potent a tool for startup entrepreneurs who are fully aware of their true motivations as it is for the boards of major corporations that may have forgotten theirs. And it seems just as relevant and powerful for social enterprises as it is for commercial ones.

We think this is so because it turns a philosophy into a system. The distinction between those two words — 'philosophy' and 'system' — is important. It's the difference between knitting a jumper to keep someone warm and making a pattern for the jumper that can be replicated by others anywhere in the world to keep millions of people warm. The Circle of True Purpose is a pattern of behaviour anyone can learn and benefit from.

In Part One of this book I take you through each of the five points on The Circle and then explain what happens when you travel either way around. What I'm effectively doing here is describing how I think the world works now. And seeing if you agree.

## **the roomful of mousetraps**

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I remember watching a video one day during science class at the Catholic boys' college I attended. It was one of those clunky old educational films our Jesuit teachers would play when they wanted to duck outside for a cigarette.

It began with a freckle-faced kid playing with a model submarine and looking up at the camera as a toffy announcer asked, 'Hey Jimmy. Ever wondered what makes that nuclear submarine go?'

They pretty much all started like that, whether the subject was photosynthesis, stomach acid or the dangers of skateboarding near traffic. But I remember this one had a very creative way of explaining how nuclear fission works. They covered the floor of a large room with mousetraps, hundreds of them, every one of them set and ready to snap. Then they stood in the doorway and threw a single ping-pong ball into the middle of the room.

In two seconds every single mousetrap had been set off. When the stunt was played back in slow motion you could see that when the ping-pong ball triggered the first mousetrap both the trap and the ball flipped up into the air and triggered two more, which flipped up and triggered four or five more, and so on.

This is a pretty cool metaphor for the importance of truth in business today. Your market is like that roomful of mousetraps. It's a new generation of smart consumers who understand how marketing works, who are extremely cynical about companies' motives, and who are set and ready to snap at the first sign of misleading corporate behaviour.

One false claim, one exaggerated benefit, one customer experience that doesn't match the promise and — bang! — their truth about you spreads around the world in seconds. A sarcastic meme that gets viewed 10 million times. A Facebook post that gets a million 'Likes'. An angry Tweet that gets picked up by the media.

The bottom line, folks, is that you have a choice: spend your working life in a roomful of mousetraps just dreading the day when somebody throws a ping-pong ball in your direction, or unset those traps — put them in a big box called Outdated Business Convention and tell the truth about why you're in the business you're in.

Then relax and enjoy it.