

Video 1: The importance of defining your company's purpose

Hey, it's Kyle from HubSpot Academy. Here's a question for you: Why was your company founded? Do you know the story? Maybe it was like Khan Academy, the web-based company that offers free online tutoring on a variety of school subjects. It didn't originally start out as a business. Sal Khan just wanted to help his cousins with their math homework, so he started making YouTube videos for them. It turns out Sal's cousins weren't the only ones who needed help with math, and when he realized how many people his videos were helping, he figured out a way to start a company that could make free education for anyone who needed it. Khan Academy courses have now been translated into dozens of languages and reach 100 million people every year, all because Sal Khan wanted to help his cousins with their math homework. That's a pretty common way for a company to start: The founder sees that they can solve a particular problem for a particular group of people and creates a company to do just that.

Another common founding story is where the founder is their own target customer. This was the case for Pleasant Rowland when she invented the American Girl doll. She wanted to buy a doll for her niece and was disappointed that her primary options were hyper-sexualized Barbie Dolls and shapeless Cabbage Patch dolls. So Pleasant thought back to her childhood and tried to remember all the things that made her excited to play with a doll, and then she founded a company that didn't just manufacture dolls but provided fantastic experiences both for the grownup who buys the doll and the child who plays with it. Each doll gets an identity and a backstory, complete with a book parents and children can enjoy together. Over the years, American Girl expanded from dolls and books sold through a printed catalog to an enormous ecosystem of dedicated retail stores, restaurants, and beauty parlors.

The success of Khan Academy and American Girl is directly attributable to the fact that both companies have remained true to the missions they were founded to achieve. But many companies lose sight of their missions once they reach a certain level of success. A classic example of this is the railroad industry in the United States. In their heyday, the railroads were so profitable that their leaders became some of the wealthiest people in the history of the world. But in the 1950s and '60s, the industry found itself in serious trouble as the new freeway system enabled cars and trucks to transport people and products, while at the same time the telephone made some trips unnecessary. In 1960, the Harvard Business Review proclaimed that the railroad industry was "failing because those behind it assumed they were in the railroad business rather than the transportation business. They were railroad oriented instead of transportation oriented, product oriented instead of customer oriented." In other words, these titans of industry didn't understand the purpose of their industry, and they paid the price for it.

So why was your company founded? What mission was it created to fulfil? It's an important thing to know, especially if you want to implement an inbound strategy. Inbound is all about making your company easy to find for the people who need your help. But before you can do that, you need to understand the job your company was founded to do.

Video 2: Identifying your company's purpose

Let's talk about how to identify your company's purpose. One thing to keep in mind is that there are two aspects of your company's purpose: The first is your company's purpose as it's understood internally, and for a lot of companies, there isn't much clarity on this point. Simon Sinek has built a career explaining this

phenomenon, and he's created a helpful framework called The Golden Circle. The outer ring of the circle represents what your company does--the product or service you offer, the industry you operate in, and so on. The middle ring is how your company does what it does, which includes the ways you differentiate yourself from all the other companies who have the same WHAT as you. At the center of the golden circle, you have your company's WHY--the reason for your HOW and WHY.

Most companies start from the outside and move inward. And that makes sense because the WHAT is extremely concrete while the WHY can be fairly abstract. However, if you can nail down your company's WHY--the reason it offers what it offers, the reason it operates how it offers--you'll be in a much better position to grow better. If your WHY is well defined, the HOW and WHAT will fall into place naturally.

Do you know your company's WHY? It's easy for the leaders of a company to fall into the trap of thinking that growth and profits are the WHY, but that's a dangerous road to go down. Don't get me wrong--your company has to make money if it wants to be able to sustain itself long term. But profitability should really be part of your HOW. You make money and reinvest it so that your company can continue to do WHAT it does, but that doesn't explain WHY your company is doing that.

So take some time to put some thought into your company's WHY. You can phrase it as a mission statement about what you hope to accomplish or as a vision of the ideal world you're trying to get to--whatever makes the most sense to you. But you need to get clarity on this point. As Simon writes in his book, *Start With Why*:

If the leader of the organization can't clearly articulate WHY the organization exists in terms beyond its products or services, then how does he expect the employees to know WHY to come to work?

The impact your company's WHY has on employee performance can be pretty significant. If everyone at your company is focused on fulfilling the same purpose, there's a good chance you'll succeed. But how do you get everyone aligned around a single purpose? The most effective way to do it is by fostering a culture that supports that purpose. A company's culture is the environment that defines and informs how employees act on behalf of customers and how the company hires, retains, and grows its people.

Here's Katie Burke, HubSpot's Chief People officer, talking about how we think about company culture:

Katie Burke: Company culture is really about defining what makes your company and your organization tick. So it's about your mission, it's about your values, and it's about the decisions that people make when no one else is watching. And so when I think about our culture at HubSpot, I think about really defining what is meaningful to us, what types of people succeed and thrive here, and the excellence that our customers can expect when it comes to our culture, our commitment to them, and how we make great decisions on their behalf every day.

So at far too many companies, human resources is honestly, a compliance tool. And the way that we think about people operations at HubSpot is that our employees are our customers. So when you're running your business day-to-day, really think about designing not just a great customer experience but also a great employee experience.

So the way I think about making our employee experience inbound is what do we actually know about you as a person? What do we know about you as a human? What do you care about? What drives you? What motivates you? And when you start designing people's experience as employees around those details, all of a sudden you have an inbound experience that's significantly more remarkable and you have happier and more productive people who work on your team.

Your culture is part of the product that you offer and the service and promise you make to your customers. It's not something that you can set and then forget about. Inbound is about being human and that means having empathy and being adaptable. So rather than thinking about your employee experience as something you can afford to wait and innovate on, think about it as fundamental promise, it's your promise to your customers, and to your business, and to your growth strategy.

Several years ago, Dharmesh Shah, HubSpot's CTO and co-founder, documented HubSpot's culture and published it to the world as the Culture Code. Here's Dharmesh explaining why he did that:

Dharmesh Shah: Culture's important. Well, you're going to have one, whether you write a culture code, whether you write your culture down, or not. So, our overall position is, better to have a culture you want and like, and that attracts the kinds of people you want working in the company. It's also important not just to have a culture, but to have it in written form, so you can communicate out to people. It's like, here are the kinds of people that will likely enjoy working here that we think will be a success.

So, all of the things that we know about building great product, and building great strong relationships, we can apply to culture and internal teams. And that's just as important, who you build it with, as is important as what you build, essentially.

The Culture Code has now been viewed millions of times, and it's become an important part of how we attract and vet new talent. It's also a standard we hold ourselves to internally to make sure we don't get off course.

So take time to think through your company culture. You might not be in a position to create your company's culture, and that's okay. Make suggestions, ask questions, and be sure to confirm that your company's culture aligns with you personally. You can always start by defining the culture for your individual team.

If you are in a position to define the culture for your entire company, start working at it. Define a culture that supports your company purpose and find ways to foster that culture throughout the company.

But there's another aspect to your company's purpose that you should consider in all of this as well, and that's your company's purpose as it's understood by your customers. This can be surprisingly different from the reason your company was founded.

Clay Christensen of Harvard Business School has written about this extensively in his book Competing Against Luck. One example he gives is V8, the vegetable-based drink. For years, Campbell's Soup Company marketed V8 in the same way most juice-makers market juices: as a way to slake your thirst on a hot day. But when they started researching the reasons people actually drank V8, they found a very

different story. V8's most loyal customers weren't drinking it because they were thirsty; they were drinking it as an alternative to eating vegetables. They understood that vegetables are an important part of a healthy diet, but they also knew that peeling carrots and boiling spinach can be a lot of work. Drinking a bottle of V8 is easy. So Campbell's changed their strategy and started marketing V8 as an alternative to eating vegetables, and within a year, V8 sales quadrupled. And that's the power of understanding your company's purpose from the point of view of your customers.

How do you get that understanding? There's a useful framework called Jobs to Be Done, or Jobs Theory. The idea of Jobs Theory is that people have jobs in their life that they need to get done, and they hire products to do those jobs. To understand the job that your customers are hiring your product to do, you're going to have to talk with a handful of your customers. Interview them, and ask them why they bought your product. Try to dig as far into the past as you can. You're trying to come up with a timeline of the thoughts and events that pushed them toward your product. Way, way back, before they ever talked to anyone at your company, maybe even before they had heard about your company, something happened to them that set them on the path of becoming your customer. You might be surprised how long the path is. It might be 18 to 36 months; it might be even longer than that, depending on how long they made do with no solution at all.

You can discover this path whether you're a brand new company with zero customers or an established enterprise who serves thousands of people every day. If your current list of customers is small, put a plan in place to interview your first few customers soon after they buy from you. If you have a large pool of customers, try to grab a random sample. Either way, when you interview your customers to find out about the job your product is doing for them, you want to get back to the very first thought that put them on the road to becoming your customer. To get there, you'll have to work backwards from the time the person bought your product. So ask them – why did they buy it? When they tell you why they bought it, ask them how long they thought about it before they made the decision. Ask what it was that made them finally go through with the sale. Maybe they think it was an impulse buy, but ask them what gave them the impulse. Had they thought about buying before and not done it? Were they making do with something else (or making do with nothing at all)? When did they realize they didn't have to make do anymore? What was the series of events that transpired from that first realization to the time they became your customer? Map that out for 10 or 12 of your customers and then try to come up with a story that describes them all equally well.

Once you have your story, ask yourself: Why are people going through this story? What job are they trying to get done? The answer will be their job to be done.

What does a job look like? You can use a statement called a job story to describe the job your customers are trying to accomplish. The format of a job story is as follows:

*As a (who the person is),
when I am (the situation that person finds themselves in),
I want to (the motivation or action)
so that I can (the desired outcome).*

Here's an example:

As a health-conscious adult,

*when I am eating my vegetables,
I want to consume them in the form of a drink
so that I can get the benefits of eating my veggies without having to worry about peeling carrots, boiling cabbage, or flossing celery strings out of my teeth.*

That's a good start to understanding why people buy V8, but we can go even deeper. In addition to the job story, there are other job dimensions that help you understand the ways a person might evaluate your offering as a way to get their job done.

These job dimensions include:

- *Functional requirements – What's the minimum functionality required to get the job done? Since V8 customers are looking for the easiest possible way to get their veggies, Campbell's would be foolish to package the drink like their soups, which come in cans that require a can opener. The packaging of V8 should make drinking it as effortless as possible.*
- *Financial requirements – What are the monetary guardrails I need to stay in to make this financially feasible? Every category has its pricing limits. The great thing about jobs theory is that it can redefine what category your product is in. Campbell's doesn't have to pay attention to the going price for a bottle of apple juice; instead, they should be pricing V8 against fresh, canned, and frozen veggies.*
- *Personal identity – How does this product or service act as a symbol to represent what I believe about the world? You want your product to affirm your customer's identity and improve their self-esteem. What kinds of people are actually using V8 as an alternative to vegetables? Are they savvy business-types who are interested in increased efficiency and time savings, or are they subversive young adults who like to feel like they're hacking their way to health? If Campbell's wanted to focus its efforts on one of those two markets, they'd have to completely reimagine their brand and positioning.*
- *Social appearance – How will others view me while I use this product or service? If there's anything embarrassing about your product, you've got to provide a way for your customers to save face. V8 is packaged in the brightly colored sort of bottles you'd expect a fruit drink to come in. Just because you're drinking your veggies doesn't mean you have to look any less cool than your friends who are drinking red 40 and high fructose corn syrup.*

So interview some of your most successful customers and figure out why they bought from you. Use the stories from five or ten customers to figure out the job story for people who buy your product, and then dig into the functional, financial, personal, and social aspects of using your product. Once you have that all figured out, compare your customers' job story to your company's purpose as it's understood internally.

How do the two match up? In many companies, they don't match up very well at all. If that's the case for your company, your best bet is to change the way you think and operate internally to match the way your most successful customers view you. If you really want to unlock your company's full potential, you need to align your entire organization around helping a particular kind of person overcome a particular challenge. And if there's broad agreement among your customers about the challenge you've helped them overcome, then that's probably the challenge you should focus on.

It's important to note that identifying your company's purpose is only the first step in the much larger challenge of rallying your company around that purpose. And this will be an ongoing challenge for as long

as your company exists. For example, Campbell's did a great job leaning into positioning V8 as an alternative to veggies. They quadrupled sales in less than a year. But the results were only temporary. When the leading members of the team moved on from V8, the new leaders didn't have the same vision, and the brand is now just a shadow of its former glory. Clay Christensen observes:

Almost overnight, the organization seemed to reorient the business by product line, competing again against other juice and drink products with a bloated product line that creates confusion, not clarity. Without clarity in the purpose brand, customers must ask themselves, "What job does a V8 do?"

You don't ever want potential customers to look at your offering and wonder what it's for. Instead, when people have a particular problem, they should be able to recognize your product as a viable solution. And after they buy it, they should be so delighted by how well it did the job they hired it to do that they'll want to hire it every time that job comes up--and that they'll recommend your company to anyone else who has that same problem.

To offer that level of satisfaction, you need to get your entire company aligned around solving the customer's problem. If your company's purpose is reflected in your marketing collateral but isn't top of mind for your sales team, you won't benefit from understanding your purpose at all. Or if your sales team embraces your company's purpose and uses it as the foundation for all of their sales calls, but then your customer service team is unclear on what that purpose is, your customers are going to feel betrayed. Marketing, sales, and customer service all have to have a shared understanding of what your company's purpose is, and they have to have a unified strategy for fulfilling that purpose.

But your company's purpose goes beyond marketing, sales, and services. Your back-office employees also need to be focused on your company's purpose.

Consider this: How many times have you had to interact with a company's finance or accounting department? How often has it been a pleasant experience? Most companies don't put any thought into the customer experience provided by the accounting team, and so hidden fees, confusing bills, and poorly defined processes are the norm. Think about your own company. If a customer wants to dispute or reverse a charge, or if they have a question about the way you billed them, or if they want to cancel your service, is there a clear and painless way for them to do so? Chances are, your customers don't need to interact with your accounting team all that often, but when they do, those interactions can make or break their relationship with your company. And if a customer who has a bad billing experience decides to be especially vocal about it, that can cause you a lot of trouble down the road.

And what about your legal team--are they focused on helping your customers succeed? We live in an era where almost anything can be purchased online, and the buying process is usually smooth and easy--right up until the end, when the vender suddenly hits you with a book-length block of text that requires a law degree just to understand. It's practically a cliché at this point to joke about not reading the terms of service, and yet modern businesses still haven't found a way to humanize this aspect of their products.

What are your terms of service like? Do your customers truly understand what it is they're agreeing to? Just like you don't want your accounting team making any enemies, if there are any surprises tucked away in the fine print of your offering, you'll find it harder and harder to get customers in the future.

It's impossible to list out all of the ways each individual employee can delight or offend your customers, but if everyone is working together to fulfill your company's original purpose, you won't have to worry about that. Make sure every employee believes in your company's purpose and then trust them to find their own way to support it. This won't only create an excellent experience for your customers, but it will help your company grow better. Chances are, whatever space you're in, you have competitors. And if your product is really good, enterprising new companies will find ways to copy it. They might even find ways to make it cheaper or better or both. But your internal processes are yours, and nobody will ever be able to replicate them. So if you can foster a culture of customer obsession within the ranks of your employees, you'll have a competitive advantage that no one will be able to take away from you. If accounting creates a delightful billing experience, and if legal transparently aligns your company's interests with your customers' interests, and if IT structures your systems in ways that help you serve your customers better, and if HR focuses on hiring and retaining people who are committed to helping your customers succeed, and if marketing, sales, and customer service are all unified in their efforts to attract, engage, and delight your customers--in short, if everyone from the highest executive on down is constantly on the lookout for ways they can better serve your customers, none of your competitors will ever be able to touch you. Your customers will love you, and they'll promote you across their networks, and ultimately their positive word of mouth will drown out whatever your competitors might try to say to promote themselves.

So figure out what your company's purpose is and rally your teams around it, and then you'll have a beacon to guide your inbound strategies and every other initiative you undertake.