

6

PUT THE PIECES TOGETHER FOR A HIGHER CAUSE

I love Jamba Juice!

When I'm at a shopping center, at my university, or in an airport, I often find myself waiting in line to order one of their latest concoctions of fruit or veggie smoothies, usually in the extra-large 24-ounce cup. It's so-o-o good.

I'm not the only one who loves Jamba Juice. Founded in 1990, Jamba Juice (the name means "to celebrate" in Swahili) now boasts more than 500 kiosks and small-store locations in 26 states, and net sales of \$350 million. Average store sales per year are currently \$650,000 and growing. Roughly half of all locations are franchised or partnered with other companies, such as Starbucks, Whole Foods, Safeway, and 24 Hour Fitness. The company is expanding rapidly through franchising and licensing agreements, currently rolling out a new location every five days or so, and has plans to go international. New spin-offs, like the expanded healthful snack-food menus and the Jamba Go-Go delivery and catering business, have sharply boosted annual revenues. The company anticipates this natural momentum to yield a \$1 billion revenue stream by 2010.

Clearly, Jamba rocks. Although it has only 11 percent of the entire juice and smoothie bar market, it dominates. In fact, not only has the company continued to grow at a 25 percent annual pace, but it has also been able to finance its growth internally.¹

What drives the leaders of Jamba Juice? What drives the dominance of the company to the point that it has broken from the pack? What drives its perpetual quest for further breakthrough in the increasingly crowded juice and smoothie bar industry, where smaller upstarts are constantly seeking to imitate the success of larger rivals?

Financial reward is one answer, of course, but if the research on entrepreneurs' motives is correct, it's only one piece of the puzzle. I submit that the deeper answer, and Jamba Juice's sustained success, is rooted in the company's *higher cause*. That cause transcends the kind of bland "we will make the best juices" vision statement that companies churn out all the time. The higher cause of Jamba Juice is, and I quote, to help us live a "healthier, balanced life"; a more "natural life"; a "fruitful life." In the eyes of its leaders, Jamba Juice is more than a portfolio of products to be managed. As they say, it's "a way to eat, a way to think, a way to live." It's a way to "celebrate the flavors of life." This is not simply marketing pap that can be copied by any Joe's Juice Bar. This is real.

Beyond the Mission Statement to a Higher Cause

Mission and vision statements are good things to have. But to break from the pack, a company would be wise to strive for something bigger than a mission and deeper than a vision. For starters, it must propound a cause, a "central idea" that people can rally around. In December 1981, a new CEO of GE named Jack Welch addressed a group of Wall Street analysts for the first time. He referred to a letter that he had recently read in *Fortune* magazine as something that fully captured his thinking on strategic planning. Referring to the great Prussian military strategist Carl von Clausewitz and his famous book *On War*, first published in 1832, here's what the letter stated:

[According to von Clausewitz], men could not reduce strategy to a formula. Detailed planning necessarily failed, due to the inevitable frictions encountered: chance events, imperfections

in execution, and the independent will of the opposition. Instead, the human elements were paramount: leadership, morale, and the almost instinctive savvy of the best generals.

The Prussian general staff, under the elder von Moltke, perfected these concepts in practice. They did not expect a plan of operations to survive beyond the first contact with the enemy. They set only the broadest of objectives and emphasized seizing unforeseen opportunities as they arose. Strategy was not a lengthy action plan. It was the evolution of a central idea through continually changing circumstances.

The secret of strategic success, according to von Clausewitz and Welch, is not to try to figure out every possible contingency that might arise and linearly map out all operations thereafter—as if that was even possible. The secret is to have a “central idea” around which the entire organization revolves, and then develop quick plans around that central idea in response to fleeting opportunities in the marketplace.

Consequently, leaders who confront “central” questions about the nature of their organization are not simply engaging in intellectually interesting exercises; they are developing critical strategic priorities. “Central idea” questions include these:

- Who are we?
- What do we stand for?
- What’s our agenda?
- What’s our destination?
- Whom do we serve?
- Where are we going?
- Why do we exist?
- Why should we exist?
- What are our underlying philosophies and core values?²

The answers to these questions summon an organization to reach far more than the standard corporate mission statement that appears in the annual report and then is summarily ignored. The answers define a cause. That cause binds together all the disparate elements of an organization—people, decisions, systems, processes—and directs them onto the same path. It also allows employees to view the

environment around them with the same eyes, and make rapid-fire decisions based on a common mental model.

I don't see genuine causes evident in many companies. I've seen overgeneralized, bland "vision statements" that meekly and unobtrusively hang on walls. I've seen thick, richly bound strategic plans with technologically whiz-bang PowerPoint presentations that are unclear, that don't differentiate the company, and that don't ignite peoples' passions. I've seen innumerable tough "no-nonsense" recitations of corporate goals, such as "We will capture market X," or "We will have an earnings growth of Y%," or "We will be a company of Z revenues in three years." Such objectives may be valid and worthy, but they still do not tell employees, customers, and investors how the company will act to achieve them, or why those objectives should matter to them.

None of the above alternatives is a cause. They do not illuminate a clear path that unites the people of an organization and sends them in a common direction with shared priorities. Nor do such statements necessarily even matter to anyone other than the executives and consultants who developed them.

Let's take it a step further. A central idea, or cause, will be essential if you want to have any sort of success in a Copycat Economy. But to improve your odds of truly breaking from the pack in a sustained way, you should consider going a step up, to a *higher* cause. A higher cause defines a noble and honorable purpose. A higher cause aims to leave a positive mark. It aims to change an entire market; in fact, it aims to change the world for the better. It's about somehow bettering the lot of human beings.

Don't confuse a higher cause with a mission statement. Most mission statements focus on the organization and its products, such as., "We will be the best provider of widgets (or "widget solutions") in the world." Higher causes focus on customers and potential customers: how they benefit and how their life or business will be elevated, all in a way that's fresh, compelling, unique, and, perhaps most important—uplifting and virtuous. The most powerful higher causes lead people to see how the world will be a better place, and how humanity will benefit anew.

Lest you think I'm urging you to turn hippie-dippie and sing "Kumbaya," consider that Google's unbelievable growth, domination, and innovation is in no small part due to its higher cause—which is to harness, organize, and categorize all the information on the planet so that each one of us can easily access it for our own unique needs in