

JACK MARTIN LEITH & COLLEAGUES

We help business leaders create the new and generate maximum value for customers, other stakeholders, and wider society

Generative enterprise: how I think about purpose, value, vision, strategy, mission and collaboration

by Jack Martin Leith

Online version: jackmartinleith.com/generative-enterprise



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Generativity is a term coined by [Erik Erikson](#), a psychologist and psychoanalyst known for his [theory on the psychological development of human beings](#). In this theory, he contrasts generativity with stagnation, which is about failing to find a way of contributing to one's community, and to society as a whole.

Generative individuals, workgroups and organizations shun the status quo and show disdain for mediocrity, seeking instead to create things that improve people's lives and make the world a better place.

+ Another definition of generativity

[Kenneth Gergen](#), the psychologist and [social constructionism](#) researcher, also talks about generativity, but he uses the term in a different way. He proposed that we should aim to create a social science focused on its "generative capacity", defined as the "...capacity to challenge the guiding assumptions of the culture, to raise fundamental questions regarding contemporary social life, to foster reconsideration of that which is 'taken for granted' and thereby furnish new alternatives for social actions." (Sourced via [Gervase Bushe](#).)

You are not here merely to make a living. You are here in order to enable the world to live more amply, with greater vision, with a finer spirit of hope and achievement. You are here to enrich the world, and you impoverish yourself if you forget the errand.



Woodrow Wilson, 28th President of the United States

[View the full transcript of an address given by Woodrow Wilson containing this excerpt](#)

You are here to enrich the world. Your enterprise (a better word than organization, in my view) is here to enrich the world. Your employees are here to enrich the world. That is my working hypothesis. It forms the basis of my personal philosophy and informs all of my work.

Generative enterprise is therefore the term I use when referring to a business or non-profit organization that focuses on generating maximum value for customers or users, other stakeholders, and wider society.

It is my unshakeable conviction that an enterprise seeking to enrich the world will enrich itself, its employees and its shareholders as a natural consequence.

There seems to be an endless stream of thought leaders and consultants who claim to have engineered a more “scientific” approach to business. Yet they, just like the positivists, always seem to fall short. Unfortunately, the real world defies logic.



– Greg Satell, [Why Business Defies Logic](#)

Purpose and value

What is an enterprise for?

First, we’ll let David Packard, co-founder of Hewlett-Packard, answer that question:

“I want to discuss why a company exists in the first place. In other words, why are we here?”

I think many people assume, wrongly, that a company exists simply to make money. While this is an important result of a company’s existence, we have to go deeper and find the real reasons for our being.

As we investigate this, we inevitably come to the conclusion that a group of people get together and exist as an institution that we call a company so they are able to accomplish something collectively that they could not accomplish separately—they make a contribution to society, a phrase which sounds trite but is fundamental.

You can look around and see people who are interested in money and nothing else, but the underlying drives come largely from a desire to do something else: to make a product, to give a service—generally to do something which is of value.”

He said those words in a speech he gave to employees in 1960. Now let’s hear from Lou Gerstner, the former chairman and CEO of IBM, putting it much more succinctly in his book [Who Says Elephants Can’t Dance](#):

“In the end, an organization is nothing more than the collective capacity of its people to create value.”

If we choose to embrace the idea that the purpose of an enterprise is creating value ([read about the three types of value: economic, conceptual, and experienced](#)), we need to consider who the beneficiaries of this value should be.

Generating maximum ecosystem value

Ecosystem Value Specification			
Specify the value to be generated by the collaborative project			
Customise this list of ecosystem constituents as required	PRESERVE existing value	CREATE new value ELIMINATE anti-value	SACRIFICE value MITIGATE loss
Senior management / owners			
Employees ¹			
Customers ¹			
Suppliers, partners, advisers ¹			
Shareholders, investors, funders			
Trade unions			
Media outlets			
Government, regulators			
Local communities			
Humanity			
The planet			
Anti-clients inc. activists ²	SPECIAL TREATMENT REQUIRED		
Competitors			
Criminals and terrorists			

STAKEHOLDER GROUPS
ENTERPRISE ECOSYSTEM

¹ Past, present and potential
² Credit: Tom Graves, Tetradian Consulting, <https://bit.ly/2LyTkZt>
 Specifying ecosystem value is a painstaking process, and not a form-filling exercise
 Originator: Jack Martin Leith | jackmartinleith.com

[View the article Who are your anti-clients?](#) by Tom Graves

The Ecosystem Value Specification process enables those embarking on an innovation project to examine each constituent of the enterprise ecosystem and determine:

- What existing value must be preserved.
- What new value might be created.
- What anti-value generation should be eliminated.
- What value must be sacrificed for the good of the whole. When value is sacrificed in this way, the consequent generation of anti-value must be foreseen and mitigated, and those experiencing the anti-value may need some form of compensation.

[Read about value and anti-value](#)

The principle behind this work states that if the proposed project meets the value requirements of all constituents of the enterprise ecosystem, then the relevant people within these constituent organizations will support the project, or—at the very least—will not hinder its progress.

Note that creating the Ecosystem Value Specification is a painstaking process. It is not simply a form-filling exercise.

Why does purpose matter?

[Mihaly Csikszentmihalyi](#), Distinguished Professor of Psychology and Management, Claremont Graduate University, explains it like this:

“If a leader demonstrates that his purpose is noble, that the work will enable people to connect with something large—more permanent than their material existence—people will give the best of themselves to the enterprise.”

Here’s a longer rationale, backed up by research:

“The age of the purpose-driven company has taken root in the U.S. today and will continue to grow in the coming decade. That’s because stakeholders—led by employees, both new and seasoned—are increasingly demanding that companies have a purpose beyond making a profit.

In fact, going forward, for a company to grow and be successful, it will need to articulate a values-driven mission that balances purpose and profit. Those companies that do will have a competitive advantage over those that do not.

What makes me say all this? Well, it’s not me. These statements come straight from the mouths of CEOs and other c-suite executives leading the country’s Fortune 1000 companies. They recently participated in a national survey about corporate America and social purpose that [Covestro](#) commissioned earlier this year.

It was striking to see how strongly the c-suite spoke on this issue with one unified voice.”

Source: [Employee Purpose is Driving Company Purpose—What Human Resources Executives Need to Know](#), by Lanier Robertson, Vice President, Human Resources, Covestro LLC, on HR Technologist.

How to determine purpose



[Tom Nixon](#)

In his Medium article [Where does the purpose of a company come from?](#), Tom Nixon, the founder of [Maptio](#) and a specialist in developing purposeful organizations, describes three approaches for identifying purpose: Designing, Sensing, and Discovering.

1. Designing

This is the most common approach. Members of the senior leadership team determine the purpose, often with the assistance of a facilitator and some representatives from the workforce. The result is usually an uninspiring statement that could apply to any business operating in the same sector. It is then transmitted to employees, who can smell bullshit at a thousand paces and treat it with the contempt it deserves.

2. Sensing

Frederic Laloux is the author of [Reinventing Organizations](#), a groundbreaking book in which he introduces a new organizational paradigm he calls Teal. The label is borrowed from Spiral Dynamics Integral, conceived by Don Beck and Ken Wilber as an enhanced form of Don Beck and Christopher Cowan's Spiral Dynamics concept.

Color	Description	Guiding Metaphor	Key Breakthroughs	Current Examples
RED	Constant exercise of power by chief to keep foot soldiers in line. Highly reactive, short-term focus. Thrives in chaotic environments.	Wolf pack	<ul style="list-style-type: none"> • Division of labor • Command authority 	<ul style="list-style-type: none"> • Organized crime • Street gangs • Tribal militias
AMBER	Highly formal roles within a hierarchical pyramid. Top-down command and control. Future is repetition of the past.	Army	<ul style="list-style-type: none"> • Formal roles (stable and scalable hierarchies) • Stable, replicable processes (long-term perspectives) 	<ul style="list-style-type: none"> • Catholic Church • Military • Most government organizations (public school systems, police departments)
ORANGE	Goal is to beat competition; achieve profit and growth. Management by objectives (command and control over what, freedom over how).	Machine	<ul style="list-style-type: none"> • Innovation • Accountability • Meritocracy 	<ul style="list-style-type: none"> • Multinational companies • Investment banks • Charter schools
GREEN	Focus on culture and empowerment to boost employee motivation. Stakeholders replace shareholders as primary purpose.	Family	<ul style="list-style-type: none"> • Empowerment • Egalitarian management • Stakeholder model 	Businesses known for idealistic practices (Ben & Jerry's, Southwest Airlines, Starbucks, Zappos)
TEAL	Self-management replaces hierarchical pyramid. Organizations are seen as living entities, oriented toward realizing their potential.	Living organism	<ul style="list-style-type: none"> • Self-management • Wholeness • Evolutionary purpose 	A few pioneering organizations (see "Examples of Teal Management")

Source: Reinventing Organizations, by Frederic Laloux (Nelson Parker, 2014)

Technical note: In the Beck and Cowan version, Teal is labelled Yellow and represents a systemic worldview.

Evolution of worldviews

	1	2	3	4	5
Worldview	Aristotelian-Ptolemaic	Newtonian-Cartesian	Pre-systemic	Systemic	Post-systemic
How the world is seen	God's work	A machine	A network	A system	A web of life
Spiral Dynamics	Purple > Red	Blue > Orange	Green	Yellow	Turquoise
Spiral Dynamics Integral	Magenta > Red	Amber > Orange	Green	Teal	Turquoise

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A Teal organization resonates with “the next stage in the evolution of human consciousness” and embodies three principles: self-management, wholeness — and evolutionary purpose, meaning the organization evolves in unison with an unseen but ever-present evolutionary impulse.

... organizations are viewed as an independent energy field with a purpose that transcends [their] stakeholders. In this paradigm we don't own or run the organization; instead we are stewards, listening to where it needs to go and helping it to do its work in the world.

- [Reinventing Organizations wiki](#)

[Read more about Teal Organizations](#)

Tom Nixon, who has interviewed Frederic Laloux and knows his work well, says this view of purpose denies the incredibly powerful influence of the leaders who created the purposeful pioneer organizations in the first place. (Source: [Where does the purpose of a company come from?](#))

He writes: “There’s an awkward paradox which Laloux highlights in the book: on the one hand there’s a belief that Teal organisations are truly decentralised, like a rainforest where ‘no single tree is in charge’, yet there’s a key role necessary for a founder or CEO to play in ‘holding the space’. Which means it’s not actually decentralised or detached from humans as the dogma/ideology of evolutionary purpose suggests.”

In a subsequent article, [Resolving the awkward paradox in Frederic Laloux’s Reinventing Organisations](#), he includes some comments Frederic Laloux made to a draft version:

I think I’m in full agreement with everything you write. It’s funny because I’ve had quite a few readers tell me that they find I overemphasize the importance of the founders and CEOs. You are the first one so far who tells me that I have underemphasized their role!

[...] Now that I’ve encountered [Peter Koenig’s thinking](#), I have better words for what I called “holding the space”, which includes channeling the organization’s purpose. And it is remarkable how in self-managing organizations, even that role is light touch, at least for what I have seen, and you hint to that too. In pyramidal structures, so many decisions get made at the top, so a lot of sourcing is needed from the source, so to speak. In self-managed organizations, it’s amazing how sub-sources can suddenly open up their channels wide too.

3. Discovering

The company is viewed as a manifestation of the need or vision of the ‘source’, the individual who took the first step—some kind of risk—to bring the initiative to life. By understanding the source’s need or vision, you discover the purpose.

Meanwhile, everyone else in the company has their own needs, vision or calling in life too. If they sense the company is a good place for them to bring their own vision to life, whilst serving the need/vision of the source then a state of flow and fulfilment follows.

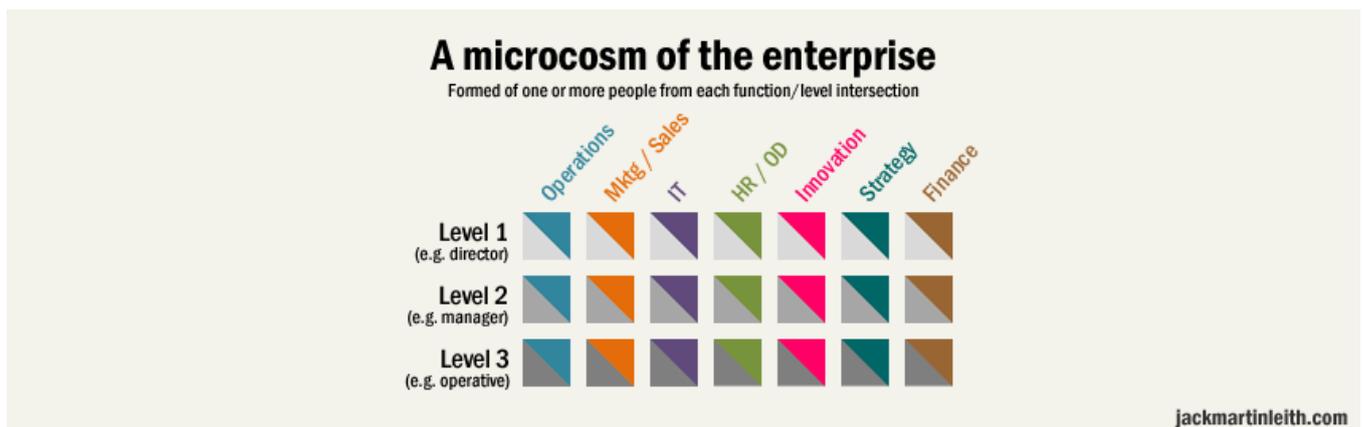
This school of thought is based on Peter Koenig’s ongoing research with founders, which he has developed into a set of [‘source principles’](#).

I see this model also having an organic metaphor, but rather than an ecosystem, it’s a ‘spiral of life’, with ever more rich, complex life branching out from a source.

– Tom Nixon, [Where does the purpose of a company come from?](#)

Discovery is clearly Tom Nixon’s preferred approach, although he stresses that all three options are simply conceptual frameworks and that, regardless of the chosen option, the resulting declaration of purpose must display authenticity and clarity. “There’s no absolute right or wrong because companies are stories—products of our consciousness—so there is no law of nature we can defer to for a final answer.”

My own preference, at least as a default option, is the **purpose quest**—a facilitated discovery process with a participant group that represents a microcosm of the enterprise. Its members will include the CEO, other C-level executives, and people from all organizational functions and at every level of seniority. The participant group can be whatever size it needs to be—typically between 50 and 100 people.



Ideally, rank-and-file employees will be elected representatives, acting on behalf of the electorate and reporting back with news of what emerged from the quest. All relevant factors will have been taken into account, such as origin story (for example, Bill Hewlett and David Packard in the Palo Alto garage, including the founders’ motivations and vision), key chapters and events in the backstory, and the perspectives and experiences of individual customers, suppliers, and members of other stakeholder groups.

I believe that when purpose is elicited in this way, it stands a very good chance of being expressed truthfully, coherently and compellingly, and the prospect of rapid and frictionless enterprise-wide adoption is maximised.

Vision

Here are two very different ways of thinking about vision:

The conventional way

Vision is an aspirational description of what an organisation would like to achieve or accomplish in the mid-term or long-term future. It is intended to serve as a clear guide for choosing current and future courses of action.

Source: BusinessDictionary, cited on [Wikipedia](#)

In this version, the vision is inward-looking and self-serving. The value beneficiary is the enterprise. There is no mention of generating value for the wider ecosystem.

The vision statement is a proxy for a desired future.

Another way

Vision is an imagined scenario of realised potential; a depiction of how the world (customers, other stakeholders and wider society) will be enriched when the enterprise is deploying its value generation capability without constraint and living its purpose to the full.

Depiction means an actual picture accompanied by vivid explanatory text, a compelling synopsis of the imagined scenario. Picture first, then words.

In this version, the vision is outward-looking and manifested through service to others. Its focus is the entire ecosystem of which the enterprise is but one interdependent part. The value beneficiaries are stakeholder group members, with value accruing to the enterprise as a natural consequence of its ecosystem enrichment activities.

Whereas purpose is a now-and-always statement, vision is an expression of a desired state of affairs that the enterprise seeks to turn into reality as quickly as possible. If your wish were to be granted, you would wake up tomorrow morning to find an overnight miracle had occurred and the desired state of affairs had become reality.

The vision of realised potential is therefore a proxy for a desired present, not a desired future.

How vision is determined

The vision of realised potential can be determined by means of a **vision quest**. The process is very similar to that of the [purpose quest](#) I described earlier.

Strategy

There is little agreement about what strategy is. In his classic text [The Rise and Fall of Strategic Planning](#), management academic and author [Henry Mintzberg](#) offers five ways of viewing the concept:

Plan A course of action designed to achieve an objective.

Ploy A maneuver for outwitting an opponent.

Pattern Consistency in behaviour.

Position Location in a conceptual space relative to competitors.

Perspective A shared worldview.

Other luminaries, such as [Roger Martin](#), [Gary Hamel](#), [Michael Porter](#), [Rita Gunther McGrath](#) and [Ken Favaro](#), provide their own interpretations of strategy.

This comes closest to the way I currently think about the topic:

Strategy is a cohesive response to an important challenge.

Three things make up the ‘kernel’ of good strategy:

1. A diagnosis.

An explanation of the nature of the challenge. A good diagnosis simplifies the often overwhelming complexity of reality by identifying certain aspects of the situation as being the critical ones.

2. A guiding policy.

An overall approach chosen to cope with or overcome the obstacles identified in the diagnosis.

3. A set of coherent actions.

Steps that are coordinated with one another to support the accomplishment of the guiding policy. These are not ‘implementation’ details; they are “the punch in the strategy”.

Main source: [The perils of bad strategy](#), in McKinsey Quarterly, June 2011, by [Richard Rumelt](#), author of [Good Strategy, Bad Strategy](#)

If strategy is a response to an important challenge (Rumelt) and mission is a response to an important challenge (Leith; [see next section](#)), then strategy and mission are simply different names for the same means-to-an-end.

It all depends on context. When I’m in America I call it the sidewalk. When I’m in the UK I call it the pavement. But no matter what I call it, the hard surface beneath my feet still enables me to get from A to B.

It could be said that strategy is the pre-work for a mission, and that mission is the strategy in action, but in practice we’re talking about one continuous process, as illustrated here:



Diagnosis

Ask:

1. What is preventing you from realising the vision, or some chosen aspect of it, right now?

Specifically,

1A: What is in the way? What are the critical constraints that, once removed, will clear the way for realising the vision or some major aspect of it?

1B: What is needed? What are the missing enablers (finance, talent, technology etc.) that, once acquired, will provide the means for realising the vision or some major aspect of it?

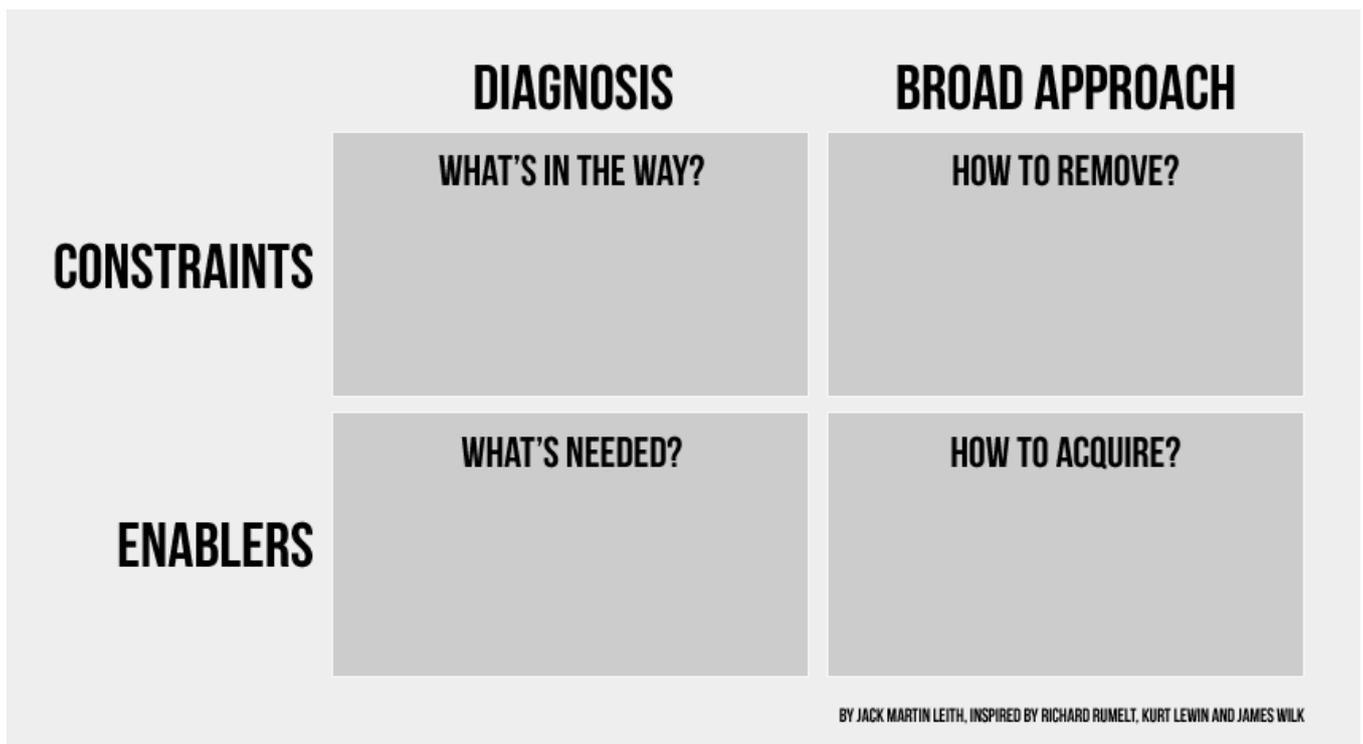
Broad approach

Ask:

2A: How can the constraints be removed?

2B: How can the enablers be acquired?

In summary:



Mission

A set of coherent actions

As used here, the term ‘mission’ comes from the field of space exploration. It is not a synonym for vision or purpose, and it is not about [mission statements](#).

I believe that this nation should commit itself to achieving the goal, before this decade is out, of landing a man on the moon and returning him safely to the earth. No single space project in this period will be more impressive to mankind, or more important for the long-range exploration of space; and none will be so difficult or expensive to accomplish.

President John F. Kennedy, 25 May 1961 ([view longer excerpt](#) from the Special Message to the Congress on Urgent National Needs)

In the context of generative enterprise, a mission is a programme of sustained collaborative action forming a response to an important business challenge. At the highest level of abstraction, the challenge is ‘realise the vision’ or a major part of it.

+ Example of a management challenge

“In order to satisfy the rapidly changing needs of our clients, I want to merge our six operating units — creative, media, digital, data & analytics, PR, and branding — into a single business, with one identity, one CEO, one P&L and one office. However, I know that if I implement this plan our divisional CEOs will head straight for the exit. But if I don’t pursue this course of action our clients will head in the same direction and we’ll be out of business.

How can we escape from this Catch-22 situation?”

– CEO of an advertising and marketing services group

A MANAGEMENT CHALLENGE AT SIX LEVELS OF ABSTRACTION



The **mission objective** is to dispatch the challenge and manifest a specific outcome. Essential elements include the completion date (“before this decade is out”) and a set of evidence-based success criteria.

The **mission plan** describes how the mission objective will be accomplished.

In 2011 Bas Lansdorp and Arno Wienders lay the foundation of the Mars One mission plan. Discussion meetings are held with potential suppliers of aerospace components in USA, Canada, Italy and United Kingdom. Mission architecture, budgets and timelines are solidified from feedback of supplier engineers and business developers. A baseline design for a mission of permanent human settlement on Mars achievable with existing technology is the result.

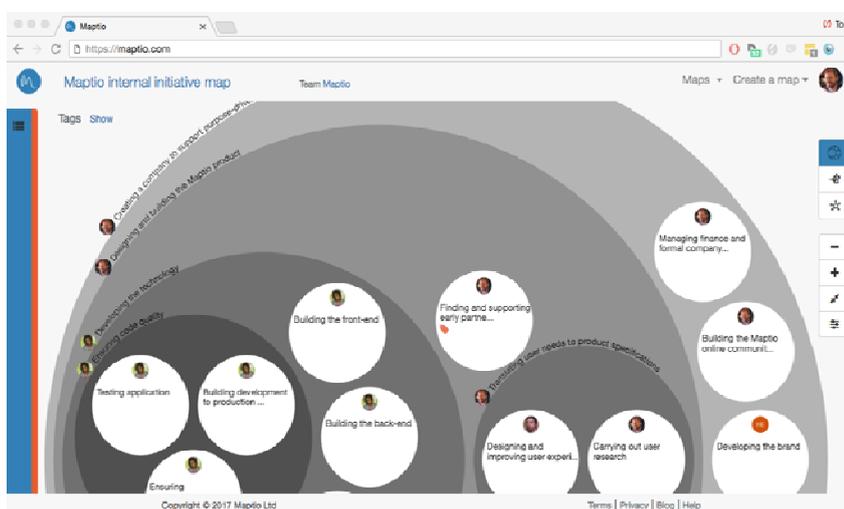
Source: [Mars One website](#)

There are two types of mission.

The first type of mission is a response to a challenge that is preventing the enterprise from realising its vision or some major part of it. This type of mission is conducted by a subset of the workforce.



Maptio, an online tool developed by Tom Nixon (see earlier section on [determining purpose](#)) promises to be an effective way of keeping track of the sub-missions and collaborative projects that contribute to the mission. He talks about vision and initiatives, but the labels are not that important.



[Find out more about Maptio](#)

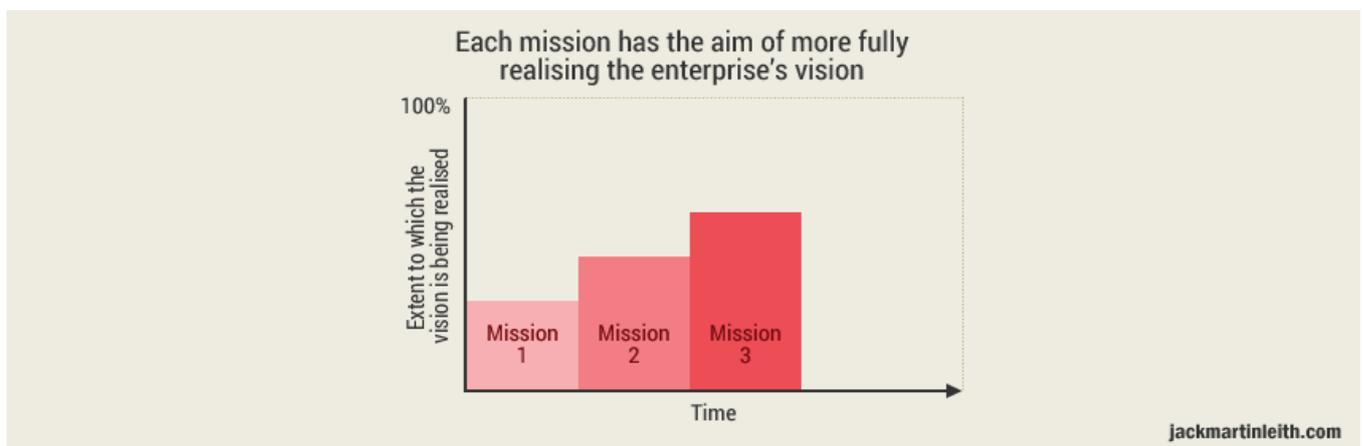
The second type of mission translates the top-level corporate strategy into a programme of concerted collaborative action. Such a mission is a highly ambitious undertaking, the accomplishment of which will benefit humanity in a profound way, and every employee is involved in it to a greater or lesser extent.

No matter what form innovation takes — short, agile sprints or long-term, grand-challenge investments — innovation is fundamentally about solving problems. And the bigger the problems you choose to tackle, the larger the potential payoff. Pursuing a grand challenge won't improve your results next quarter, but it might just take your enterprise to a whole new level.



– Greg Satell, [Why the Rewards for Ambitious Problem Solving Are About to Get Bigger](#), on Harvard Business Review

This kind of mission mobilises the strategy, and, once accomplished, manifests the enterprise's vision, either in whole or in part.



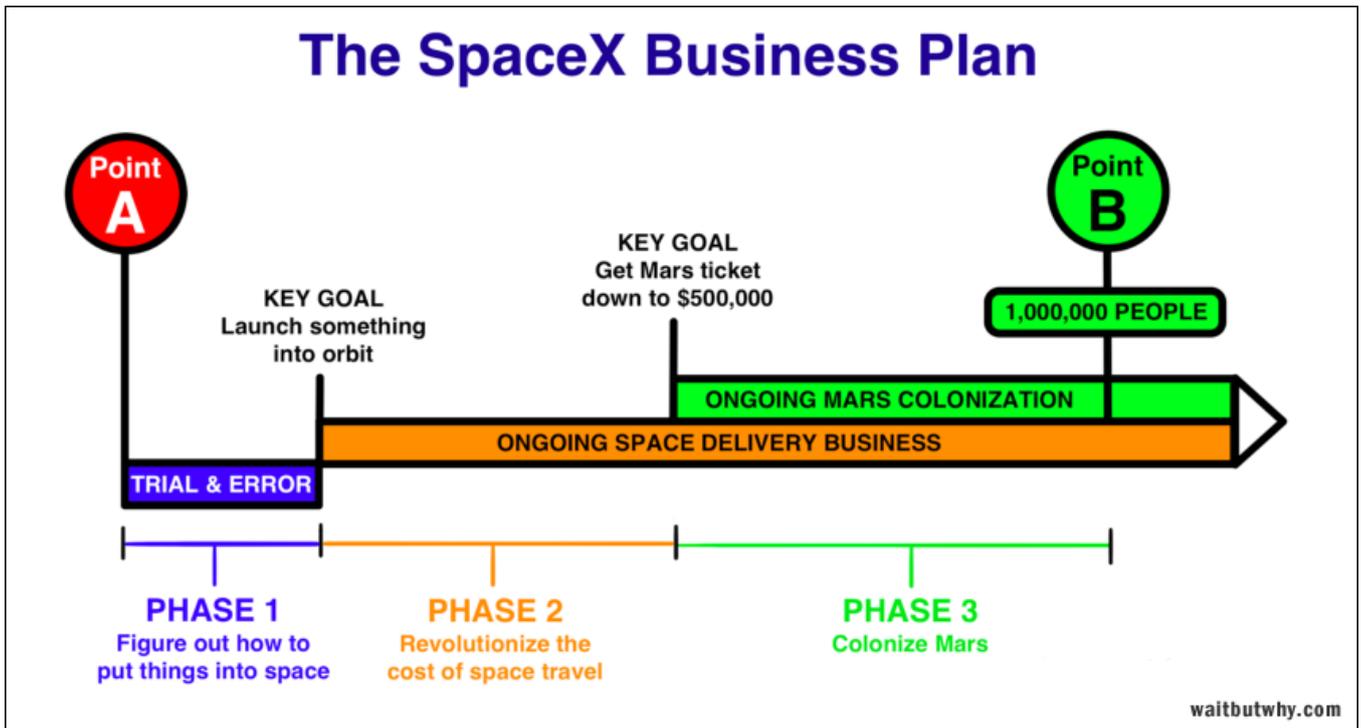
As employees make their contributions to projects that feed into sub-missions—and, thereby, to the overall mission—they are animating the purpose of the enterprise, moment by moment.

Missions, sub-missions and projects

In the following graphic:

- **1 million people living on Mars** is the mission.
- **Figure out how to put things in space** is sub-mission no.1.
- **Revolutionize the cost of space travel** is sub-mission no.2.
- **Colonize Mars** is sub-mission no.3.

The SpaceX Business Plan



Source: [Wait But Why](http://waitbutwhy.com)

Each sub-mission will consist of many projects, but there will be a clear line of sight from even the smallest project to the overall mission, and every project team member will be ever aware of how his or her efforts are contributing to the mission.

This is a real-world exemplification of the [parable](#) in which a mason said he wasn't just cutting stone—he was building a cathedral.

Rich collaboration

Rich collaboration is the principal means by which a generative enterprise accomplishes its mission.

The practice of rich collaboration ('rich' signals that the approach is potent and that it enables the generation of abundant value) is grounded in a set of tried and tested principles for effective collaborative action. These principles have emerged from study, experimentation and client work ([see client list](#)) conducted by me and others over the course of three decades.

The foundational principle states that participants in a collaborative project should work together from the outset, with the aim of generating maximum value for customers, other stakeholders, and wider society.

'Participants' means all those whose contribution, co-operation and consent will be vital to the successful accomplishment of the project.

Contribution means providing ideas, knowledge, expertise, or a new perspective.

Co-operation means giving assistance and enabling progress, or not blocking progress by saying "No".

Consent means saying "Yes"; giving formal or informal approval for a proposed course of action.

I will publish the complete set of principles in a future article.

Further reading

[Cybernetics of Value Co-creation](#), by Raul Espejo, general director at World Organisation for Systems and Cybernetics, and Gandolfo Dominici, scientific director at Business Systems Laboratory

[Evolving to a New Dominant Logic for Marketing](#), by Stephen L. Vargo and Robert F. Lusch, in Journal of Marketing, Vol. 68 (January 2004), 1–17

[Your Company's Purpose Isn't to Save the World](#), by Alan Siegel, on strategy+business

This article is in permanent beta, the same as everything I write.

Please [send me a note](#) if you spot an error, a confusing piece of writing, or anything else that needs my attention.

Thank you for your persistence. I hope it has been rewarded.

Jack
