

THE PURPOSE OF A COMPANY

BY

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"TO MAKE A PROFIT" IS THE STANDARD ANSWER TO THE STANDARD QUESTION: "WHAT IS THE PURPOSE OF A COMPANY?" OBVIOUSLY AN ORGANIZATION MUST BE PROFITABLE IN SOME SENSE IF IT IS GOING TO SURVIVE. MORE MUST COME IN THAN GOES OUT. THAT IS TRUE OF A BOY SCOUT TROOP OR AN INTERNATIONAL CONGLOMERATE.

IT IS NOT POSSIBLE TO GROW UNLESS THE RESOURCES ARE AVAILABLE FOR THAT GROWTH, WHETHER THEY BE TREES OR MONEY. ALSO HAVING A LOT OF TREES OR MONEY DOES NOT NECESSARILY MEAN THAT A COMPANY WILL PROSPER OR EVEN SURVIVE. WHAT ALL THE PEOPLE DO WITH THESE RESOURCES IS WHAT MATTERS; WHAT ALL THE EMPLOYEES ARE ORIENTED TO ACHIEVE IS THE ESSENCE.

IF A COMPANY'S SOLE GOAL IN LIFE IS TO INCREASE ITS AFTER-TAX PROFIT FROM 6% TO 8%, IT TRAVELS A NARROW PATH. EACH DECISION CONCERNING THE FUTURE MUST TAKE THIS GOAL INTO CONSIDERATION. YET THE IMPROVEMENT REFLECTS ONLY 4% PRE-TAX OF THE TOTAL EFFORT.

THIS MEANS THAT A TINY PART OF THE RESULT OF THE COMPANY'S COMPLETE ACTIVITY HAS A DISPROPORTIONATE BEARING ON THE WHOLE. PROFIT IS VITAL FOR CORPORATE LIFE AND FLOWERING, BUT IT IS ONLY ONE PART OF A BALANCED DIET.

TO ME THE PURPOSE OF A COMPANY IS TO SERVE AS A SOURCE OF LIFE SUPPORT AND PERSONAL ACHIEVEMENT FOR PEOPLE. CREATING A PLATFORM THAT PEOPLE CAN USE IN ORDER TO CONDUCT GOD CENTERED, USEFUL, PRODUCTIVE LIVES--THAT IS WHAT A COMPANY IS ALL ABOUT.

IN ORDER TO ESTABLISH THAT PLATFORM, THE COMPANY MUST BE SUCCESSFUL IN WHAT IT DOES. IT MUST SATISFY ITS CUSTOMERS, IT MUST DEVELOP RELIABLE SUPPLIERS, IT MUST EDUCATE ITS EMPLOYEES, AND IT MUST SUPPORT ITS COMMUNITIES.

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