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## BUILDING COMPANIES THAT MAKE A DIFFERENCE

George E. McCown

*George McCown is co-founder and managing director of McCown De Leeuw & Co. and the Chairman of the Board of the World Business Academy. Before co-founding McCown De Leeuw, he spent eighteen years at Boise Cascade Corporation in general management positions.*

*This is the second of two articles honoring Claire Nuer, who passed away March 26, 1999. Last quarter's Perspectives featured a description of her philosophy and methodology. In this issue, WBA Chairman George McCown reveals how Claire's work has affected his company over the last three years.*



**I**n the course of my chairmanship of the World Business Academy, I have aspired to implement its co-founder Willis Harman's vision of business as a steward for society, both through my work with the Academy and through the company I co-founded 15 years ago, McCown De Leeuw & Co., Inc. Like many of us, I have been confronted by how incredibly difficult it is to bring that vision to fruition on a daily basis—to “walk the talk” and create lasting change.

This difficulty is compounded by the accelerated rate of change we are currently experiencing in the world, analogous to the scientific revolution when, in a period of 100 years, people's beliefs about what comprised reality were totally overturned. I look around at the survival statistics of businesses and wonder, how many companies in the Fortune 500 were in the Fortune 500 ten years ago? Thirty years ago? How many existed at the turn of the century? Our industry, the buyout industry, is no exception. In fact, 85 percent of all acquisitions fail to perform up to expectations and 40 percent of all CEOs do not succeed.

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### **McCown De Leeuw & Co.**

Our original intent in 1983 when David De Leeuw and I created McCown De Leeuw & Co. (MDC) was to “be good people to do business with.” At that time, there were fewer than ten companies in the world like ours; today, there are somewhere between 1,500 and 2,500. Back then the total pool of capital was a couple of billion dollars; today it is \$500 billion. We are one of the oldest firms in an industry that did not exist fifteen years ago.

We currently have about \$1.2 billion of capital under management and specialize in buying and building industry-leading middle market companies in partnership with management. Since 1984, we have completed 37 platform acquisitions, creating companies that today collectively generate in excess of \$6 billion in annual sales. We’ve grown to a staff of 18 investment professionals with offices in New York City and Menlo Park, California.

This success has resulted from our willingness to take an honest look at how we function as a team and as a company, and to make the necessary changes to create an environment in which people’s potential can be realized. Back in the mid-1990s, my partners and I felt that we were not doing all that we could within our team to build an organization where this was possible. At MDC our strategy for success depends on several key factors: how we as a team perform, how our CEOs perform (which depends, in part, on how we support them as a team), and the success of the acquired company as a viable business. As a team we weren’t clear enough on how to grow the business. Some of us wanted to build companies, and others wanted to focus on transactions. The two are not mutually exclusive, but they are based on very different worldviews and they lead in different directions. This gap in intentions was affecting our ability to support each other and to collaborate as a team.

### **The Mission**

In 1994, we brought Jeff Stiefler on board as an Operating Partner. Jeff, the former president of American Express who had run IDS Financial Services, helped us more fully to understand how critical it is to have a very specific mission when running a business. It became clear that we didn’t have a mission for our company that unified everyone’s energy and motivation, so Jeff took us through a planning session in which we created a model for developing a very clear mission, values, strategy, and outcomes.

Figure 1 diagrams the framework we developed as a basis for our mission. On the top of the pyramid is the vision, a mental picture of what we’re trying to create. Under that is the mission. On the left are our values, which are rooted in fundamental prin-

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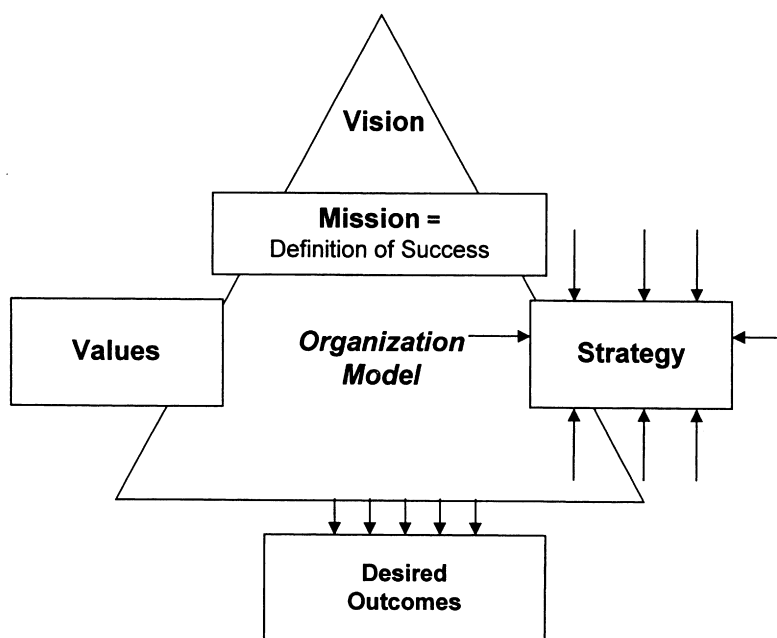


Figure 1. Original mission/values/strategy framework pyramid

principles such as integrity, ethics, and respect; they do not change. The strategy, on the right, on the other hand, can change depending upon market conditions, circumstances, opportunities, and the needs of a rapidly changing marketplace.

This pyramid is the reverse of the way most companies think. In our model, the mission comes first and the outcomes come at the end. Most companies think first about the outcome—the bottom line—and then everything else gets fit in around that. This works for a while, but it never really takes all the dynamics of a business into account. It also is not what people wake up every morning passionate about. Jeff gave us the structure on which a mission-driven company should operate. This helped us clarify what we needed to do—now all we had to do was figure out how to implement it.

### Discovering Personal Mastery

My wife, Karen, founded the Nueva School in 1967. There she developed and instructed a curriculum called “Self Science: The Subject Is Me” to teach emotional intelligence to gifted children grades K-8. When in 1996 her old friend and colleague Willis Harman told Karen that he had met a French woman named Claire Nuer who taught emotional intelligence to adults, my wife suggested we attend one of Claire’s personal mastery seminars. At first, I was reluctant to go. After all, I am a “busy businessman” and the thought of nine days in a workshop seemed impossible.

But in the end, we went, and it marked a turning point in my work and personal life.

“Personal mastery” is one of Peter Senge’s learning disciplines from *The Fifth Discipline*, a handbook for building learning organizations. As developed by Claire and her organization, Learning as Leadership (LaL), a research, training, and consulting firm in San Francisco, “personal mastery” is “the ability to achieve our vision through recognizing and addressing our individual and team obstacles.”

In the course of the workshop, Claire challenged many of my beliefs about the “corporate image” I had spent my life building. Then she gave me the tools to create something different. By the second day I told Karen, “This may be what is missing for us to implement what we want at MDC.” We had had the pieces before, but never the container, the global framework, to integrate them, communicate them, and act upon them.

Claire developed a way of looking at the world that, while not original with her, is unique in its clarity, comprehensiveness, and practicality. I have studied many of the great religious, philosophical, and psychological traditions of the world, and they all fundamentally come back to the dilemma of our own internal prisons—our ego—and how to free ourselves from them. As children growing up, we unconsciously develop ways of thinking and behaving in order to survive the twists and turns of childhood. They are basically defense mechanisms, and usually before the age of ten we have laid the foundation for the patterns of behavior that we will exhibit for the rest of our lives. Few of us ever really become conscious of these patterns that imprison us, and so the first step in the process Claire developed is to become aware of both their dynamics and their consequences so that we can make real choices—and that is *real* freedom, not the “pseudo-freedom” of our patterns.

Many of us think we have a great life. We never allow ourselves to see that there might be consequences or costs to how we pursue our success. Too often we choose to experience only what benefits us and fail to look at the costs associated with them—it is too painful. We ignore the fact that these very same patterns that may have driven us to the presidency of a company have also cost us our marriage, our relationship with our children, and many other relationships with the people we have stepped on along the way. It is easier to be an optimist and to keep chasing that one more possibility of success that we think will make us happy. The costs catch up with us; they are there, even if we resist seeing them. It struck me powerfully how these patterns in companies can create tension and organizational conflict.

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## The Ego-System

Claire called this way of functioning the “Ego-System”—the system that historically runs the world of commerce (and most of the rest of the world, for that matter). The Ego-System creates a world of destructive competition, of having and taking, of big egos. Unfortunately, it is the world most of us have grown up in and have been highly trained to succeed in. Although it appears to have gotten us what we want, it quite frequently gets us more of what we don’t want: dysfunctional societies, communities, organizations, families, and individuals. We think mainly only about ourselves, and in a team, as in a family, that just does not work. It is also the world that most of us frequently criticize in private. If we are really honest with ourselves, we would acknowledge that this system has frequently taken an extremely high toll on us and the people we most care about. It is the source of systemic failure in our organizations, and, inevitably, its costs are unacceptably high.

Claire pulled together an alternative way of thinking through LaL. I wanted to bring these new tools into MDC, but I was hesitant and a little afraid. Nevertheless, we invited Claire and her facilitation team to our partner retreat in the fall of 1996. It was not an easy meeting, but we began to realize that the issues we thought we needed to face were not the real problems at all.

With LaL’s help we were able to take stock of the past and evaluate the costs that our patterns in our partnership in terms of lost time, energy, creativity, mutual trust, and of course, bottom-line productivity. We needed to fundamentally address the effect of those dynamics on our team if we wanted to be sustainable as an organization. The costs of our current ways of functioning were high, and we saw the potential for creating something incredible if we were willing to work through our difficulties. We were striving for excellence, not just survival, and we had the opportunity to develop MDC as a model for our industry. By bringing these tools into our company, we realized that we were embarking on a journey that would affect not only our own business, but could also positively affect our portfolio companies, families, communities, and business in general.

## The Eco-System

One of the things we realized when working with Claire was that our original pyramid diagram lacked the context of the “*Eco-System*.” In sharp contrast to the Ego-System, the Eco-System is characterized by authentic communication, co-responsibility, trust and partnership, risk taking, empowerment of others, compassion, and of course, continuous learning. This overarching

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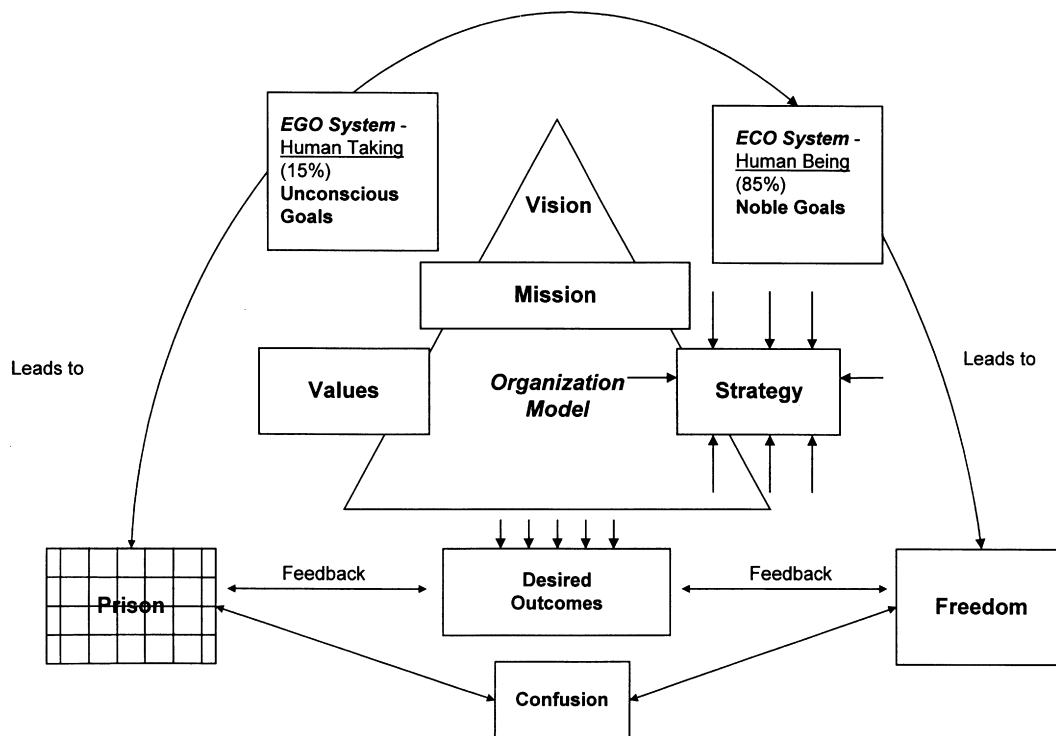


Figure 2. The Eco-System Pyramid

umbrella of the Eco-System defines the context in which we strive to function on a daily basis.

### Building Companies that Make a Difference

To facilitate that shift in our company from the Ego-System to the Eco-System, Claire helped us define our company's mission, building on the foundation Jeff Stiefler had laid for us. After much dialogue, we realized that the companies that inspired us the most were those that made a difference in people's lives and in their industries. We agreed that we were all passionate about "building companies that make a difference." We believe that a mission is the core purpose of the organization and the key to overcoming the mechanisms and costs of the Ego-System. It needs to capture the heart and soul of everyone in the company. It is aspirational and inspirational and also implementable in a practical way. In today's world, with its unprecedented rates of change and unpredictability, we believe organizations must be driven by something more than a strategy. This is the key function of the mission in a learning organization.

With increasingly decentralized structures, traditional command-and-control styles of management do not always work. For an organization to really thrive, employees must be tied together, equipped and motivated by something they can relate to at an emotional as well as an intellectual level. We think our mission does that. In “building companies that make a difference,” we make transactions, but that is not what drives us. Every one of us wants to make a difference, and we want to do it through our work, if at all possible.

Although transactions are an absolutely critical part of our strategy, and we believe that we are very good at executing them, we want to pursue activities that will support our mission of building companies that make a difference. Short-term profit is not enough. Most people want to believe that what they do really matters—that they make a difference. Most of all, we do not believe this is a “zero sum” discussion, an “either/or” debate of profit versus pursuing the mission. If people believe that what they do at work really matters, they will function at their absolute best, and contribute to an effort that will produce the best possible results. Having a clear mission does not guarantee success or create a utopian work culture; it provides a framework that guides us through the ups and downs of these challenging times. Like a compass, it guides us through new and challenging terrain.

To us, building companies that make a difference means balancing, over time, the interests of all of a company’s stakeholders—employees, customers, suppliers, families, and communities, as well as shareholders. If we do that successfully, the people we affect, directly or indirectly, will be better off because of their involvement with us—and we will produce outstanding results, financially and otherwise. And this has proven to be our experience.

### **Set Clear Goals and Commitments**

Once we agreed upon our mission, with Claire’s help we created a framework within which we wanted to operate. We set clear goals and commitments around specific behaviors and communication patterns that we no longer wanted to perpetuate, no matter what. As we pursued our mission, this framework allowed us to support each other to bridge the gap between good intentions and daily practice.

One example of a commitment we made was our “24-hour rule”—we agreed to deal directly, promptly (within 24 hours) and where appropriate, privately, with any disagreement with another individual, and not to talk behind people’s backs. It is a

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very powerful vehicle for building trust and honest communication in our organization.

### Values

Supporting our mission, and at the heart of our business approach, is a core set of personal and organizational values that provide the foundation for how we operate. These values are the immutable principles by which we run our company, and we build them into every facet of our daily activities. They become an integral part of how we do business. They are:

- *Inescapable Commitment*: As individuals and as a firm, we are inescapably committed to our mission and values. We will hold ourselves and each other accountable for acting in alignment with our core purpose and beliefs.
  - *Uncompromising Integrity*: We will honor commitments, both large and small, tell the truth even when it is painful to do so, and avoid the temptation to operate where it is ethically gray.
  - *True Collaboration*: We believe our greatest strength comes from collective capability, not individual brilliance. Therefore, we approach relationships from a supportive rather than a competitive perspective.
  - *Effective Communication*: We know that effective communication is essential, but extraordinarily difficult to achieve. By better understanding our own patterns of behavior and those of each other, we will minimize the effect of the filters through which we speak, listen, and learn.
  - *Sense of Responsibility*: We will act in a way that is consistent with the tremendous sense of responsibility that we have:
    - ~ To our employees, for building a work environment in which they are respected, encouraged, challenged, and supported to be the best they can be.
    - ~ To our portfolio companies, for helping and supporting them, so that they become successful enterprises in both human and financial terms.
    - ~ To our investors, for being effective stewards of the money they entrust to us.
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## Noble Goals

Creating a company mission that is really energizing does not come out of thin air, but is the culmination of the efforts of a group of individuals who bring their passions together. Unless you know what motivates you, what your passion is, it is hard to create a mission for a company that is clear and really embraces what LaL calls a “Noble Goal.” A Noble Goal is that sense of purpose that can bring you back to your true essentials, even when you feel everything else is lost—your *raison d’être*. If each of us brought that into our workplace, rather than leaving it at home or imagining that it exists only beyond the horizon as we seem to think we have to do, imagine what kind of a company we could build! That is what we wanted at MDC, and is what drove us to develop our particular mission.

Interestingly enough, at first we were a little afraid of how people would react to this mission. For example, a couple of years ago we were planning to go out and raise \$400 million for our new fund, and we did not know how some of our money managers would respond in light of their mandate of financial return for their investors. Our fear and trepidation were very real, but we built up our courage to speak candidly of our mission and put it in our fund-raising materials. We were oversubscribed at \$1.2 billion! We even had to cut it back to \$750 million, which we determined to be the amount of money we could manage. We discovered that not only did most people understand what we were talking about, they were yearning for it. Anyone who has ever worked in an organization understands that that is where they spend a good part of their life. If their workplace is fulfilling, if it has a mission that touches its employees in a fundamental and profound way, they will be more motivated and their company’s performance will improve. Not one person missed the potential impact of an inspirational mission on the bottom line.

## Implementing the Mission

At MDC we now use our mission as a criterion for every important decision we make. If we believe that something we are contemplating will be inconsistent with our mission, we do not do it. We apply this standard to every person we hire. We think about it when considering industries to pursue, or specific transactions we are evaluating. And, of course, we use it when considering whether or not to partner with people—particularly management teams.

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Many people are looking for what we are building. We feel that we are pioneering a unique environment within our industry, and in business in general, in which people have the opportunity to learn and grow and fully realize their potential. A key aspect of our mission is that we want every one of our portfolio companies to be driven by a mission they passionately believe in. Their mission should be compatible with ours, but it must be their own. In collaboration with LaL, we are currently working with our portfolio companies to ensure clarity around their own missions, and we are helping the management teams to develop an organizational framework to implement them. Obviously, this type of investment of our time and energy is unusual in our industry. We find that it is an essential value we can offer our portfolio companies that really makes a difference for them.

### **Building a Learning Organization**

I firmly believe that the kind of organization that will survive these tumultuous times is a *learning organization*, an organization in which learning is the most cherished value, in which every encounter, every event, every success, and every failure is viewed as a learning opportunity. Such an organization not only has a higher probability of surviving the turbulence, but also perhaps the possibility of helping to shape the outcome. It is a difficult task, and one that is possible only if each individual in the company is committed. If not, it is a massive problem. It drains the energy out of the organization and undermines the mission in insidious ways. I have tried it in many different ways, but an absolute commitment to a very clear mutually agreed-upon mission is crucial.

I believe that a unique aspect of our mission is our commitment to creating a culture of learning at MDC. We offer LaL's training to all of our employees, from the managing directors to the receptionists. Every single one of our employees is given the opportunity to participate in LaL's One Year Leadership Development Program, which is specifically designed to help people become more conscious, accountable, and compassionate leaders. LaL has taught us how to recognize behaviors stemming from the Ego-System (like judging, blaming, withholding information, competing, and fragmentation) and to shift, individually, as a team, and as an organization, to operating in the Eco-System, characterized by co-responsibility, trust, authentic communication and commitment. The program challenges the ways we think, feel, and act and helps us overcome our individual and collective obstacles to putting our deepest aspirations into action in every domain of our lives.

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## **Walking our Talk**

Our current focus is to integrate these learnings into daily practice. We approach this not only by participating in LaL's seminars and in-house programs, but also through ongoing coaching. All of our employees receive coaching, often available only to top executives in most organizations. Throughout the one year of training, the seminars and the coaching focus on specific areas, such as team building, time management, personal mastery, and overcoming specific business challenges. This creates a continuous learning process that allows us to stay connected to our mission, which embodies our noble goal. It helps us create the "learning organization" that is essential for tomorrow's challenges.

The LaL work is also the foundation of our broader commitment to creating what we call the "MDC University" in which we are committed to continuously gaining access to new and important ideas and skills that we can then share with those with whom we work, both within MDC and at our portfolio companies.

## **Business as a Steward**

I believe that business has a central role to play in society, probably a bigger role than any other single institution. We must understand that role, raise our consciousness, and individually and collectively accept responsibility for forging companies and societies that contribute to a sustainable context for human beings. I personally choose to create outcomes that I can leave as a legacy for my children and grandchildren and the many generations to come.

At MDC, we have come a long way. We are profoundly committed to seeking resolution in the Eco-System, in the non-ego human side, where we are not driven unconsciously by our patterns, but where we take into account everyone's needs and the kind of environment we are creating. I asked one of my younger partners the other day how he felt about our last retreat. He said that he believes that this group of people today, with this set of tools, could basically handle any problem that we encounter. I thought that was a great compliment. He continued, "It is a real privilege to be a part of such an organization."

I'm excited by what we've accomplished, but it doesn't stop there. With the work we are pioneering with Learning as Leadership we are creating new standards for our industry. Hopefully when people begin to see the results of investing in the Eco-System skills and tools it will be contagious, and these practices will become the norm, not only in our industry, but throughout the world of business.

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These tools are available to anyone who is willing to take the risk and face the reality of the costs of the Ego-System. I invite you to be a pioneer, to leave a legacy to your children, grandchildren, and yes, the world—a legacy of clarity, courage, compassion, and commitment anchored in your own Noble Goal.

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For more information on Learning as Leadership, please call 415-789-8634. George McCown can be reached at MDC at the Menlo Park, California, office at 650-854-6000.

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Business has become, in this last half century, the most powerful institution on the planet. The dominant institution in any society needs to take responsibility for the whole--as the church did in the days of the Holy Roman Empire. But business has not had such a tradition. This is a new role, not yet well understood and accepted.

Built into the concept of capitalism and free enterprise from the beginning was the assumption that the actions of many units of individual enterprise, responding to market forces and guided by the "invisible hand" of Adam Smith, would somehow add up to desirable outcomes. But in the last decade of the twentieth century, it has become clear that the "invisible hand" is faltering. It depended upon a consensus of overarching meanings and values that is no longer present. So business has to adopt a tradition it has never had throughout the entire history of capitalism: to share responsibility for the whole. Every decision that is made, every action that is taken, must be viewed in light of that kind of responsibility.

And that, to me, is what the World Business Academy is really about. It is not just another association of business people to exchange information and foster collegiality. It is about investing ourselves in a task of historic proportions. Some will be called to this task and many will not. Those who are will find it to be extremely gratifying and fulfilling.

Willis Harman, August 1990  
Co-founder, World Business Academy

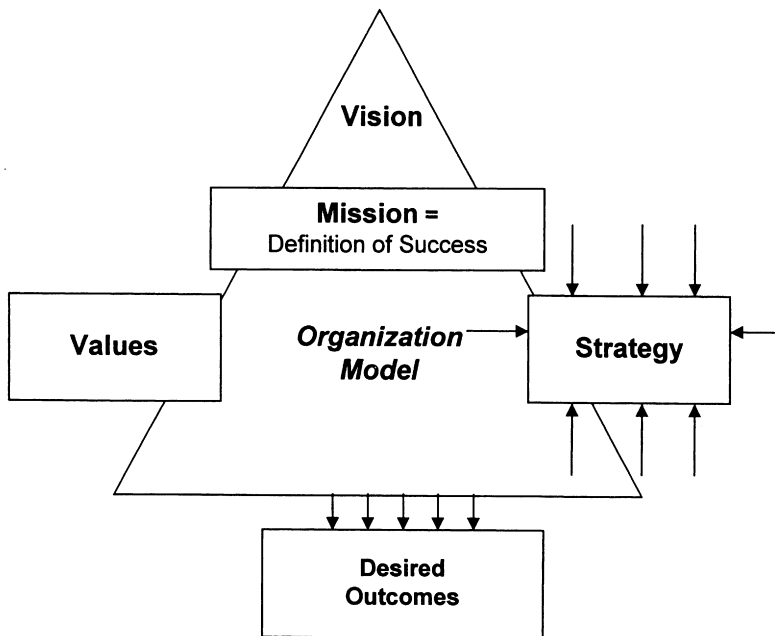


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This pyramid is the reverse of the way most companies think. In our model, the mission comes first and the outcomes come at the end. Most companies think first about the outcome—the bottom line—and then everything else gets fit in around that. This works for a while, but it never really takes all the dynamics of a business into account. It also is not what people wake up every morning passionate about. Jeff gave us the structure on which a mission-driven company should operate. This helped us clarify what we needed to do—now all we had to do was figure out how to implement it.

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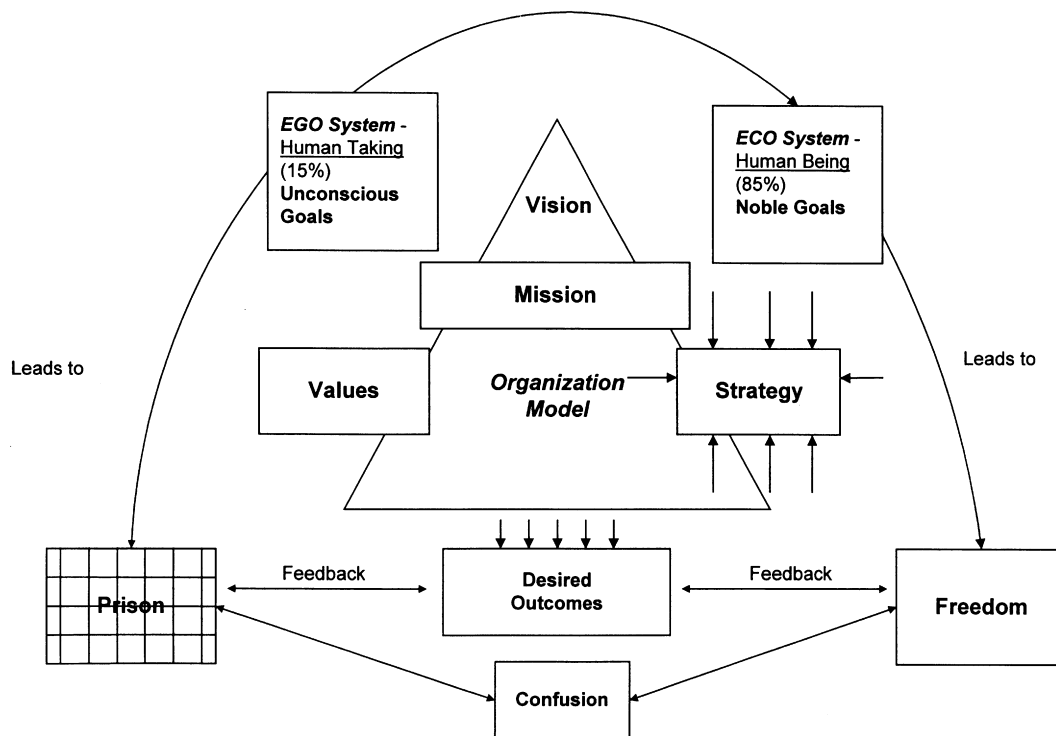


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To us, building companies that make a difference means balancing, over time, the interests of all of a company’s stakeholders—employees, customers, suppliers, families, and communities, as well as shareholders. If we do that successfully, the people we affect, directly or indirectly, will be better off because of their involvement with us—and we will produce outstanding results, financially and otherwise. And this has proven to be our experience.

### **Set Clear Goals and Commitments**

Once we agreed upon our mission, with Claire’s help we created a framework within which we wanted to operate. We set clear goals and commitments around specific behaviors and communication patterns that we no longer wanted to perpetuate, no matter what. As we pursued our mission, this framework allowed us to support each other to bridge the gap between good intentions and daily practice.

One example of a commitment we made was our “24-hour rule”—we agreed to deal directly, promptly (within 24 hours) and where appropriate, privately, with any disagreement with another individual, and not to talk behind people’s backs. It is a

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*Most people want to believe that what they do really matters—that they make a difference.*

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very powerful vehicle for building trust and honest communication in our organization.

### Values

Supporting our mission, and at the heart of our business approach, is a core set of personal and organizational values that provide the foundation for how we operate. These values are the immutable principles by which we run our company, and we build them into every facet of our daily activities. They become an integral part of how we do business. They are:

- *Inescapable Commitment*: As individuals and as a firm, we are inescapably committed to our mission and values. We will hold ourselves and each other accountable for acting in alignment with our core purpose and beliefs.
  - *Uncompromising Integrity*: We will honor commitments, both large and small, tell the truth even when it is painful to do so, and avoid the temptation to operate where it is ethically gray.
  - *True Collaboration*: We believe our greatest strength comes from collective capability, not individual brilliance. Therefore, we approach relationships from a supportive rather than a competitive perspective.
  - *Effective Communication*: We know that effective communication is essential, but extraordinarily difficult to achieve. By better understanding our own patterns of behavior and those of each other, we will minimize the effect of the filters through which we speak, listen, and learn.
  - *Sense of Responsibility*: We will act in a way that is consistent with the tremendous sense of responsibility that we have:
    - ~ To our employees, for building a work environment in which they are respected, encouraged, challenged, and supported to be the best they can be.
    - ~ To our portfolio companies, for helping and supporting them, so that they become successful enterprises in both human and financial terms.
    - ~ To our investors, for being effective stewards of the money they entrust to us.
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## Noble Goals

Creating a company mission that is really energizing does not come out of thin air, but is the culmination of the efforts of a group of individuals who bring their passions together. Unless you know what motivates you, what your passion is, it is hard to create a mission for a company that is clear and really embraces what LaL calls a “Noble Goal.” A Noble Goal is that sense of purpose that can bring you back to your true essentials, even when you feel everything else is lost—your *raison d’être*. If each of us brought that into our workplace, rather than leaving it at home or imagining that it exists only beyond the horizon as we seem to think we have to do, imagine what kind of a company we could build! That is what we wanted at MDC, and is what drove us to develop our particular mission.

Interestingly enough, at first we were a little afraid of how people would react to this mission. For example, a couple of years ago we were planning to go out and raise \$400 million for our new fund, and we did not know how some of our money managers would respond in light of their mandate of financial return for their investors. Our fear and trepidation were very real, but we built up our courage to speak candidly of our mission and put it in our fund-raising materials. We were oversubscribed at \$1.2 billion! We even had to cut it back to \$750 million, which we determined to be the amount of money we could manage. We discovered that not only did most people understand what we were talking about, they were yearning for it. Anyone who has ever worked in an organization understands that that is where they spend a good part of their life. If their workplace is fulfilling, if it has a mission that touches its employees in a fundamental and profound way, they will be more motivated and their company’s performance will improve. Not one person missed the potential impact of an inspirational mission on the bottom line.

## Implementing the Mission

At MDC we now use our mission as a criterion for every important decision we make. If we believe that something we are contemplating will be inconsistent with our mission, we do not do it. We apply this standard to every person we hire. We think about it when considering industries to pursue, or specific transactions we are evaluating. And, of course, we use it when considering whether or not to partner with people—particularly management teams.

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*A key aspect of our mission is that we want every one of our portfolio companies to be driven by a mission they passionately believe in.*

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Many people are looking for what we are building. We feel that we are pioneering a unique environment within our industry, and in business in general, in which people have the opportunity to learn and grow and fully realize their potential. A key aspect of our mission is that we want every one of our portfolio companies to be driven by a mission they passionately believe in. Their mission should be compatible with ours, but it must be their own. In collaboration with LaL, we are currently working with our portfolio companies to ensure clarity around their own missions, and we are helping the management teams to develop an organizational framework to implement them. Obviously, this type of investment of our time and energy is unusual in our industry. We find that it is an essential value we can offer our portfolio companies that really makes a difference for them.

### **Building a Learning Organization**

I firmly believe that the kind of organization that will survive these tumultuous times is a *learning organization*, an organization in which learning is the most cherished value, in which every encounter, every event, every success, and every failure is viewed as a learning opportunity. Such an organization not only has a higher probability of surviving the turbulence, but also perhaps the possibility of helping to shape the outcome. It is a difficult task, and one that is possible only if each individual in the company is committed. If not, it is a massive problem. It drains the energy out of the organization and undermines the mission in insidious ways. I have tried it in many different ways, but an absolute commitment to a very clear mutually agreed-upon mission is crucial.

I believe that a unique aspect of our mission is our commitment to creating a culture of learning at MDC. We offer LaL's training to all of our employees, from the managing directors to the receptionists. Every single one of our employees is given the opportunity to participate in LaL's One Year Leadership Development Program, which is specifically designed to help people become more conscious, accountable, and compassionate leaders. LaL has taught us how to recognize behaviors stemming from the Ego-System (like judging, blaming, withholding information, competing, and fragmentation) and to shift, individually, as a team, and as an organization, to operating in the Eco-System, characterized by co-responsibility, trust, authentic communication and commitment. The program challenges the ways we think, feel, and act and helps us overcome our individual and collective obstacles to putting our deepest aspirations into action in every domain of our lives.

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## **Walking our Talk**

Our current focus is to integrate these learnings into daily practice. We approach this not only by participating in LaL's seminars and in-house programs, but also through ongoing coaching. All of our employees receive coaching, often available only to top executives in most organizations. Throughout the one year of training, the seminars and the coaching focus on specific areas, such as team building, time management, personal mastery, and overcoming specific business challenges. This creates a continuous learning process that allows us to stay connected to our mission, which embodies our noble goal. It helps us create the "learning organization" that is essential for tomorrow's challenges.

The LaL work is also the foundation of our broader commitment to creating what we call the "MDC University" in which we are committed to continuously gaining access to new and important ideas and skills that we can then share with those with whom we work, both within MDC and at our portfolio companies.

## **Business as a Steward**

I believe that business has a central role to play in society, probably a bigger role than any other single institution. We must understand that role, raise our consciousness, and individually and collectively accept responsibility for forging companies and societies that contribute to a sustainable context for human beings. I personally choose to create outcomes that I can leave as a legacy for my children and grandchildren and the many generations to come.

At MDC, we have come a long way. We are profoundly committed to seeking resolution in the Eco-System, in the non-ego human side, where we are not driven unconsciously by our patterns, but where we take into account everyone's needs and the kind of environment we are creating. I asked one of my younger partners the other day how he felt about our last retreat. He said that he believes that this group of people today, with this set of tools, could basically handle any problem that we encounter. I thought that was a great compliment. He continued, "It is a real privilege to be a part of such an organization."

I'm excited by what we've accomplished, but it doesn't stop there. With the work we are pioneering with Learning as Leadership we are creating new standards for our industry. Hopefully when people begin to see the results of investing in the Eco-System skills and tools it will be contagious, and these practices will become the norm, not only in our industry, but throughout the world of business.

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*With the work we are pioneering with Learning as Leadership we are creating new standards for our industry.*

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These tools are available to anyone who is willing to take the risk and face the reality of the costs of the Ego-System. I invite you to be a pioneer, to leave a legacy to your children, grandchildren, and yes, the world—a legacy of clarity, courage, compassion, and commitment anchored in your own Noble Goal.

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For more information on Learning as Leadership, please call 415-789-8634. George McCown can be reached at MDC at the Menlo Park, California, office at 650-854-6000.

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Business has become, in this last half century, the most powerful institution on the planet. The dominant institution in any society needs to take responsibility for the whole--as the church did in the days of the Holy Roman Empire. But business has not had such a tradition. This is a new role, not yet well understood and accepted.

Built into the concept of capitalism and free enterprise from the beginning was the assumption that the actions of many units of individual enterprise, responding to market forces and guided by the "invisible hand" of Adam Smith, would somehow add up to desirable outcomes. But in the last decade of the twentieth century, it has become clear that the "invisible hand" is faltering. It depended upon a consensus of overarching meanings and values that is no longer present. So business has to adopt a tradition it has never had throughout the entire history of capitalism: to share responsibility for the whole. Every decision that is made, every action that is taken, must be viewed in light of that kind of responsibility.

And that, to me, is what the World Business Academy is really about. It is not just another association of business people to exchange information and foster collegiality. It is about investing ourselves in a task of historic proportions. Some will be called to this task and many will not. Those who are will find it to be extremely gratifying and fulfilling.

Willis Harman, August 1990  
Co-founder, World Business Academy