

On Tuesday, 12/19, at 2pm in the Round Table Conference Room, we had our first extended group meeting to discuss the > 18 month Roadmap. Present were: Dave Hitz, James Lau, Helen Bradley, Rich Boberg, Randy Collins, Brian Ehrmantraut, David Bulfer, Roland Jasmin, and myself (Andy Watson).

The components of the longterm strategic planning process are:

- Vision
- Mission
- Strategy
- Position

Quoting from training materials Mark Saul exhumed from his archives:

"Vision is the company's reason for being, and it reflects the values and beliefs of the organization. It transcends the company, and may never be fully achieved." -- Cunningham

While we can use specific markets and applications in our brainstorming process for developing a Vision for NetApp, implementation steps (e.g., a longterm product roadmap) cannot be developed until the higher levels of strategic planning are in place. Once we have a Vision and a Mission we can test proposed strategies and implementation steps for consistency and fidelity to our objectives.

The brainstorming session produced much agreement about general areas of consideration, but stopped short of proposing a Vision statement. In January, Dave, James, and I will meet again on 1/3 to refine the agenda for the next larger group session on 1/10.

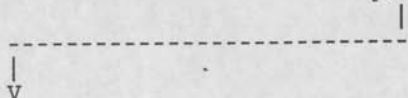
Below are the notes from the white board on which Dave captured the main threads and various brainstorm-generated digressions of the discussion. In lieu of chronological minutes, the notes below reflect the content of the whiteboard. We'll use these notes to focus future discussion in an effort to wordsmith a Vision statement, but the current state of the notes below is not intended to be interpreted as draft language for such a statement.

-- Andy

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NOTES FROM THE WHITEBOARD

Vision: To provide a total [network storage] solution.
To provide a total [storage management] solution.
[WORDS TBD.....]



Storage

Network (parody of Sun's motto ["The Network *is* the computer."] =
"The Network is the Disk Drive.")

Management: backup / index / search / browse

Delivery: NFS / DFS / HTTP / NNTP / SMB / FTP / ??? / Video fs? / NCP?

Data: temporary data / cache / virtual memory range

Server/Client

Heterogeneous

Appliance Nature ("Does the cow have a Buddha Nature?" --> "Does the
product have an Appliance Nature?")

Appliance Nature = Fast, Simple, Reliable [Safe? / Secure? / Protected?]

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Discussion of "Crossing the Chasm" and "In the Tornado" business models
and theories. Plot of business growth over time for a product, showing
the chasm before the "bowling alley" region (innovators, then early
adopters, and so on to the mass market). The tornado precedes the peak,
and can be navigated with a partnering strategy. Subsequently, after
the tornado, "design out partners to take their revenue."

Market estimates, starting with a \$5B total market which itself grows at 40%.

year NetApp portion (\$M)

year	NetApp portion (\$M)
1996	60
1997	180 (3X growth -- "very ambitious but not impossible")
1998	360 (2X)
1999	720 (2X)
2000	1440 (2X)

NetApp objective (?): "To own the appliance market."

Venn Diagrams for network-oriented [actual and possible] appliances:

Routers / bridges / &c

printers / xterms / web-client ("surfboard") appliances

Data

"Friends & Family Protocols":

ONC + DCE - DFS ...

Time / DNS / authentication (user name space)

Non-storage Appliances? Yes/No

Time Server

Router / Bridge / Switch

DNS / WINS (name server)

Authentication

Appliance = "Not programmable"???

Networking --> interoperability --> appliance-ability

Brainstorming discussion topic list (chronologically dispersed among all of the above Notes):

Randy's Trends (market opportunities provide targets, amount of data growing to unmanageable sizes)
Predictable trends vs unpredictable ones
View of Data Storage
Diverse Types of Data (video, database, files, &c)
Delivery Requirements: bandwidth, latency, jitter
Internet driving data
Two years from now we are ignorant (horizon) (Helen says three years)
Massive replication (via caching)
What about database?
Document Management / Data Management
Java / Blackbird / ... / VB (Visual Basic)?
Object-oriented?
How do we partner?
- can Java/VB help?
- NLM???

new data service protocols
backup protocols
management protocols
security/authentication protocols
Do we sell data? (pre-instaled content on disk drives)
Internationalization?
Elements of bold innovation?

VISION

- ◆ Structure of Vision Statement
 - ◆ Four components, ranked by importance
 - 4. To be the market leader
 - To lead the industry with
 - To provide
 - 3. the best
 - a total solution for
 - 2. network data storage and management
 - 1. based on appliance technology.
- ◆ Example: To lead the industry with a total solution for network data storage and management based on appliance technology.



NetworkAppliance

Confidential to Network Appliance Corporation

reliable file service 950724.1

Network Appliance Corporation

September 19, 1993

To: Rich Boberg Bruck Clarke
 David Hitz Anne Khan
 James Lau Ray Myers
 Charlie Perrell Byron Rakitzis
 John Reinking Layne Statner

From: Michael Malcolm

Subject: Summary of our Sonoma meeting

I wish to thank each of you for attending and contributing to our meeting this past Friday and Saturday. I think the meeting was very successful; we accomplished everything I had hoped for, and more. I feel we came away from the meeting with a shared vision that will serve us well in the coming years.

I have attempted here to capture in writing what we decided at the meeting. I have taken a cut at the wordsmithing that we could not do as a group. I regard this as just a first draft. Please give me feedback (like I do with your first drafts) so I can produce a clearer and better document. I doubt that the content is final. We will probably have more debate and make further changes.

Shared Values and Beliefs

Above all we believe in respect for the individual. Respect for the individual manifests itself in many ways, including the honesty and integrity of all of our actions, the quality of our products, and the freedom of our employees.

We are committed to total customer satisfaction.

Our goal is to make a lasting contribution to our customers, employees, shareholders, and community.

We are committed to excellence.

We are committed to building an enduring great company.

Company Purpose

Our purpose is to make the world a better place through innovative products that improve distributed computing.

Mission Statement

Our mission is to make file server appliances pervasive worldwide by the end of this decade.

I think there are two kinds of simplicity.

One is the simplicity on the front side of complexity and the other is simplicity on the far side of complexity.

I certainly hope that my work is about simplicity on the far side of complexity, because simplicity on the front side is merely naivete.

-- Bo Lozoff

GIVING
 Please give to
 Tom & JW. - Matt

THE PETERS PRINCIPLES



OF THINGS FUNDAMENTAL

There's nothing like a crazy startup to remind you of the basics, something no gazillion-dollar firm can ever do. By Tom Peters

AS A FAVOR TO AN OLD SILICON VALLEY FRIEND, I'VE begun working with his about-to-be-born startup. It's low-tech ... and not a darling of 3000 Sand Hill Road. (Funding comes mostly from a whopping home mortgage and several shaken-down relatives.)

I don't know how it's going to work out for him (great, I hope), but I've had a helluva ride and been pointedly reminded about business basics in a way that working with a gazillion-dollar firm can never do. Here are lessons learned to date:

1 Gotta love that product. Sure it's obvious—or is it? The *Economist* recently reported on an extensive study of "product juggernauts," companies that out-innovate the competition year in and year out. They shared one thing in common: "an unnatural obsession with what they produce."

The issue is not to have just a "good product," but a product that's clearly special. Your daughter, son, spouse, aunts and uncles—and then the professional folks you talk with—have got to glow when you show them your sketches, prototypes, whatever. A *Boston Globe* columnist said of a concert by Ben Zander (conductor of the Boston Philharmonic), "It left you feeling as though you had been struck by lightning, dazzled, with all your molecules rearranged." I've adopted those words for my friend's endeavor. We're in the "dazzlement/molecule-rearrangement business"—no less a response will do. (Hey, I'm on board precisely because his idea rearranged a few of my molecules.)

2 Sales beats marketing. I believe in marketing, in knowing who your customer is and which channels you need to traverse (initially) to distribute your product. But it's become clear to my pal and me that sales comes first.

There's no bonanza for the world's greatest widget until there's a completed connection with the customer. For my friend's startup, aiming exclusively as we are for national-account business, we require a driven, proven national-account sales genius to get us going with a bang.

We began by thinking we needed an inspired marketer, with some sales background. Now we are convinced we need an inspired salesperson—with some marketing history. (And, incidentally, back to No. 1 above, the sales point

person must love our product, though the pay/incentive prospects will be good to excellent, the "job" must be a labor of passion, not a day at the office or a bullet point for the resume.)

3 Great people. "People are everything." Every business says it; only a handful live it. But in a startup, your top employees (a sales whiz and a business manager, in our case) must be "planet class." We are looking for the best people even though currently our startup is "garage class." We are in a panic. We want to hustle, hustle, hustle. There is a great temptation to: (1) hire "Joe's friend Mary, who's done this stuff before," or (2) grab the first half-intelligent warm body that walks through the door.

In this one area, we are grinding teeth, biting tongues ... and being very patient. We are leaving no stone unturned in our hyperprofessional job search and are spending gobs of time we just don't have on interviews. My friend, strategist and product designer par excellence, has tried to stiff me at the last minute on a couple of interviews. I have literally (once) dragged him in. This is the "Big Enchilada," I've insisted. (And I think I'm right.)

4 Be prototype-happy. I devoted a whole *Forbes* ASAP column to prototyping (the No. 1 "core competence" for an innovative company, I argued) last August. This is where the rubber meets the road: We're spending ourselves (himself, mostly!) half-poor on prototypes.

The best way to enthrall prospects is (surprise!) with product, not concept; moreover, give them an inkling of the breadth and depth of the eventual product line. My instinct, his instinct, and that of all our advisers tell us: prototype, prototype, prototype! We are learning, revising, impressing others ... and spurring ourselves on ... with THE REAL THING.

5 Systems aren't an afterthought. For the little (wee) firm dealing with national accounts, it's "one strike and you're out." We are already knee-deep in business systems. These include: (1) a great (not just good) accountant, and hands-on involvement in accounting; (2) a thoroughly modern inventory-management system; and (3) state-of-the-art database management systems. We simply (continued on page 122)

Illustration: King

THE PETERS PRINCIPLES

want to know, record and be able to leverage every dollop of information we collect about every item and individual we come in contact with. We're not into gold-plating, but we are committed to systems that are solid, substantial, broad and deep.

6 Act big from the get-go. Yes, timing is everything. We think our timing is very right. Nonetheless, we are taking deep breaths and being somewhat too substantially patient: We're following the "think-big, act-big law of self-fulfilling prophecy strategy." That is, we are not going to expose our startup to the market (beyond numerous beta tests and a jillion conversations) until we can be a noticeable, commented-upon presence. It's said that Hewlett-Packard gave its first machine back in 1939 a high number to make it sound like the company had been around a while.

We're playing the same game—to the hilt. We're producing samples galore, generating marketing material, going big league (or at least AAA) in trade-show presence, launching a serious and classy (we think) ad campaign, and chintzing on nothing that will allow us to be perceived as "a player" from day one. (All of this is being done, of course, within the bounds of modest capitalization. It's a matter of priorities, and this is a big one.)

7 A plan. We have a prospectus (a little gold-plated, meant to exude some frankly unwarranted signs of gravitas), but that's not the key. Neither are the pro formas. What's turned out to be the planning essential is the humble time line. Now five single-spaced pages long, including milestones monumental and mundane, it's on everybody's computer (okay, four of ours), plastered on butcher paper on the head-quarter's walls (okay, home office). It is reality. It is how we think. How we debate. It's our paramount talking document with potential partners.

8 A philosophy. Our product is vital and energetic. And my friend's heart and soul are in the right place. We read and reread Anita Roddick's *Body and Soul*, her account of creating Body Shop International. We really want to have a business we can be proud of in all respects (great place to work, ethical to a fault, diversity-is-our-middle-name, etc.), or we don't want to be in business at all. Again and again, call it crunch time—which happens all the time in a startup—

we come within a hair's breadth of compromising on this or that; and then, so far at least, we step back. The time to do it right is from the start and all the time, not just when it becomes convenient.

At the top of the list: Work only with people you like (as well as respect). On a couple of occasions, we've met with superstars, been wowed by their command of their specialty, but not liked them for some wholly subjective reason. Our decision: not to work with them, period. Life's too short.

9 A clear signature. It's a variation on No. 8. In a want ad, we asked for a "wildly enthusiastic, bizarrely committed" individual. Some friends scolded us: "You can't use language like that. It's not professional!" "It's who I am," my friend said, "and what we want. Why in the hell can't businesspeople use real people's language?"

10 Improv skills. My friend knows what he is about. I agree with his rigidity about what makes his baby his baby. On the other hand, we are making fundamental decisions that take us SSE one week, NNW the next. "We run like mad and then we change direction" is the way Chairman Bert Roberts describes MCI's strategy. We, too, are trying to be masters of improv (principled improv masters, nonetheless—see No. 8).

11 Grains of salt. We've consulted with perhaps two dozen incredible folks—most of whom, incidentally, have been delighted to share their innermost thoughts. We

have benefited enormously from their wisdom. But they all seem to be in utter disagreement (and that's only a slight exaggeration). Each has a clear theory of the market that has served him or her well. Thus we listen, learn, sift and—with fear and trepidation at eschewing such good advice—go our own sweet, determined way.

12 Fun. "Are we having fun?" We're dead tired is what we are! But alive and wired ... and having fun. And if anything we do smacks of dreary business-as-usual, the way "they" do it, we draw back in alarm.

That's my report from the trenches ... so far. Take it with a grain of salt. (I do, and I promise an update soon.) And, big boss reader, you might try what I've tried. It's been my best learning—relearning—experience in 10 years!

"Are we having fun?" We're dead tired is what we are! But alive and wired and having fun.... If anything smacks of dreary business-as-usual, we draw back in alarm.... Friends scolded us: "You can't use language like that. It's not professional!" "It's who I am," my friend protested, "and what we want. Why in the hell can't businesspeople use real people's language?"

Project: Network Appliance MISSION STATEMENT

Rich Boberg -1/3/95

Objective: A **bold, audacious, inspirational, and compelling** mission statement.

Guidelines: The mission statement should incorporate the following

- 1) Network Appliance is the leading supplier of filers
 - 2) Across all network service architectures
 - 3) Filers (dedicated appliances) are the preferred solution
 - 4) By the end of the decade
- Added 12/1:
- 5) Wire-speed performance
 - 6) Simple

The previous mission statement:

To make file server appliances pervasive by the end of this decade.

New Proposal:

“Lead the file server market into the next century with easy to use products that offer wire-speed performance, high availability, and unprecedented value.”

Alternative Proposal #1:

↙ “Lead the file server market into the next century with products that offer unprecedented (value), performance, ease of use, and availability.”

Alternative Proposal #2:

“Lead the file server market into the next century by providing unprecedented value, ease of use, availability and wire-speed performance.”

Alternative Proposal #3:

“Shape the future of network file services by providing unprecedented value, ease of use, and wire-speed performance across all network service architectures.”

Previous Proposal:

“Make Network Appliance filers the dominant solution for all network file services by the end of this decade.”

Project: Network Appliance MISSION STATEMENT

Rich Boberg -12/1/94

Objective: A **bold, audacious, inspirational, and compelling** mission statement.

Guidelines: The mission statement should incorporate the following

- 1) Network Appliance is the leading supplier of filers
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- 3) Filers (dedicated appliances) are the preferred solution
- 4) By the end of the decade

The previous mission statement:

To make file server appliances pervasive by the end of this decade.

New Proposal:

"Make Network Appliance filers the dominant solution for all network file services by the end of this decade."

A condensed form for appropriate situations:

Make filers the dominant solution for all network file services.

FYI — Other Suggestions:


- 1) Increase the demand for Network Appliance filers across all network architectures, making them the dominant network file service solution well into the next century.
- 2) To deliver the fastest file server appliances for enterprise-wide information systems, with a commitment to quality, price/performance and world-class support, to achieve worldwide market leadership position by the end of this decade.
- 3) To make network appliances the dominant solution for network file services worldwide by the end of this decade.
- 4) To make filers the dominant solution for network file services by the end of this decade.
- 5) To make Network Appliance filers pervasive by the end of this decade.
- 6) To lead the market in making filers the dominant solution for network file services by the end of this decade.

Project: Network Appliance MISSION STATEMENT

Rich Boberg - 10/31/94

Objective: A **bold, audacious, inspirational, and compelling** mission statement.

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 - 2) Across all network service architectures
 - 3) Filers (dedicated appliances) are the preferred solution
 - 4) By the end of the decade

The previous mission statement:

To make file server appliances pervasive by the end of this decade.

WORK IN PROCESS:

Top New Suggestion:

**To make filers the dominant solution for network file services
by the end of this decade.**

Other Suggestions:

- 1) To deliver the fastest file server appliances for enterprise-wide information systems, with a commitment to quality, price/performance and world-class support, to achieve worldwide market leadership position by the end of this decade.
- 2) To make network appliances the dominant solution for network file services worldwide by the end of this decade.

Other Examples:

Crush Nike. (2 words)
--Adidas

To make the world a safer place. (7 words.)
-- Schlage Locks

To vanquish your enemies and chase them before you, to rob them of their wealth and to see those dear to them bathed in tears, to ride their horses and to clasp to your bosom their wives and daughters. (39 words.)
-- Ghengis Khan

Mission

Moves the organization in the same general direction. What business are we in? Who are our customers? Where?

Company's Mission:

Function's Mission:

Dept's Mission:

Critical Success Factors

To be successful in our business, it is critical to have...(3 most important). Substantial competitive advantage may arise from differences in... What the organization MUST have or do.

Key Business Processes

Which processes are most linked to the Critical Success Factors.

Major Stakeholders (or Customers) identified and their requirements of the organization.

--Stakeholders--

--Requirements--

Objectives

What do we want to accomplish? How do we know we are "done"? What is our purpose, goals, or broad objectives? These must include cost, schedule, performance. These must be "SMART": Specific, Measurable, Attainable, Realistic, Time-based.

Strategy

Enhancement of the organization's strengths or overcoming weaknesses. Differentiating ourselves from competition in meeting the needs of our customers/stakeholders. How are we going to accomplish our objectives?

Plans

Who, what, when, how much? A document for communicating the action plan to the participants (employees) and other coordinating users.

--Activities--

--Resources Needed--

Head count Equipment

Who? (see organization chart)

What? (see job descriptions)

When? (see quarterly goals)

How Much? \$\$ (See budget)

Network Appliance

Mission

Company's Mission:

--Our mission is to make file server appliances pervasive worldwide by the end of this decade.

Function's Mission:

--Network Appliance's administration function's mission is to provide the company support in areas of financial, legal, human resources, information systems and management, facilities, and office services in order to proactively provide timely, realistic, and valuable information to facilitate appropriate decision making and to proactively provide systems and a work environment that is conducive to meeting or exceeding the expectations of the stakeholders. Additionally, our mission is to develop and implement policies that support the attainment of the company's goals and objectives and to process transactions efficiently and accurately giving the users (internal and external) confidence in the company.

Critical Success Factors

1. Have trustworthy employees with a high degree of accountability, judgment and ability to communicate.
2. Have systems that are effective, efficient, reduce cycle time and leverage resources.
3. Provide the Network Appliance employees a conducive work environment.
4. Protect and defend Company's assets.

Key Business Processes

1. Processes that produce financial information. (Finance & MIS)
2. Processes that provide databases of information important to users and that provide company performance measurements. (Finance & MIS)
3. A process that selects and develops top producing employees and encourages open dialog of ideas. (H/R & Executive Mgmt)
4. A process that provides efficient tools and equipment which enable employees to be more productive. (Facilities & MIS)

Major Stakeholders

--Stakeholders--

1. Employees.....

--Requirements--

To be serviced respectfully and promptly using simple to understand policies and procedures.

2. Stockholders & Board of Directors

To receive reliable information timely and realize a gain on their investment

3. Customers.....

To receive accurate and timely billings and credits .

4. Vendors.....

To receive prompt payment for goods and services rendered per the agreements with them.

5. Government/taxing agencies.....

To receive accurate and timely information and payments, per regulations.

6. Bankers and auditors.....

To receive full disclosure of all financial situations. To be able to rely on the Company's systems and information.

Objectives

1. Install integrated manufacturing/accounting system (according to Corporate System Team Objectives) in order to provide better financial information, have a consistent process to support growth, and provide controls to ensure accuracy and produce efficiencies.
2. Implement HR hiring process that is efficient and selects excellent employees.
3. Maximize services and/or minimize costs spent for:
 - Insurance
 - Employee Benefits (including 401(k) plan)
 - Financing
 - Rent
 - Travel
 - Auditors
 - Legal
 - Information/Processes (includes payroll service)
4. Develop and implement appropriate policies and procedures that support the organization appropriate to size and stage of development of the organization.
5. Improve business planning and budget process.

Strategy

1. Launch and develop Corporate Systems Team in order to set direction of systems for the company, select currently needed systems and implement them efficiently.
2. Develop an administration hiring plan for the next year.
3. Develop a hiring process that communicates to employees, attracts and screens candidates, and processes new hires efficiently.
4. For:
 - Insurance - Consolidate policies for minimizing costs and re-evaluate coverage/premiums for maximizing services.
 - Employee Benefits - Re-evaluate medical, 401(k), vacation/sick policy, stock option plan, holidays for minimizing costs and maximizing competitive benefits to attract the people we want to hire and keep.
 - Financing - Obtain a combination of equity and asset-secured funding and financing to enable the company to carry out it's objectives and mission at the most cost effective rate.
 - Rent - Lease facilities that provide flexibility for future growth, that provide suitable environment for each group's function that enables them to achieve their objectives and that is cost effective.
 - Travel - Provide policies, procedures and competitive vendors to the company to minimize travel costs while being conducive to business.

Auditors - Minimize costs by having good records, policies, procedures and controls and preparing the audit work papers and backup documentation to allow the auditors to do their work quickly. For adversarial auditors, such as the IRS, assess the scope of work and provide a single point of contact to carry out that particular audit strategy.

Legal - Protect the company and contain costs by using experts for the particular legal area that is consistent with the risk involved.

Information/Processes - Find low risk solutions that maximize the company's future growth and can be used by the company as a competitive advantage.

5. Identify areas in finance, legal, HR, MIS, facilities and office services where Policies and Procedures are most needed and plan how to develop and implement them.

6. Start the business planning process early and provide productive tools to that involve the management team in business planning and budgeting.

Plans

See detailed budget

Rough Agenda

- **What is a shared vision?**
 - Why do we want it?
 - How do we get it?
- **What should our shared vision be?**
 - How should we express it in writing?
 - How can we pass it on to future employees?
- **What is our current strategy?**
 - Is it consistent with our vision?

Vision

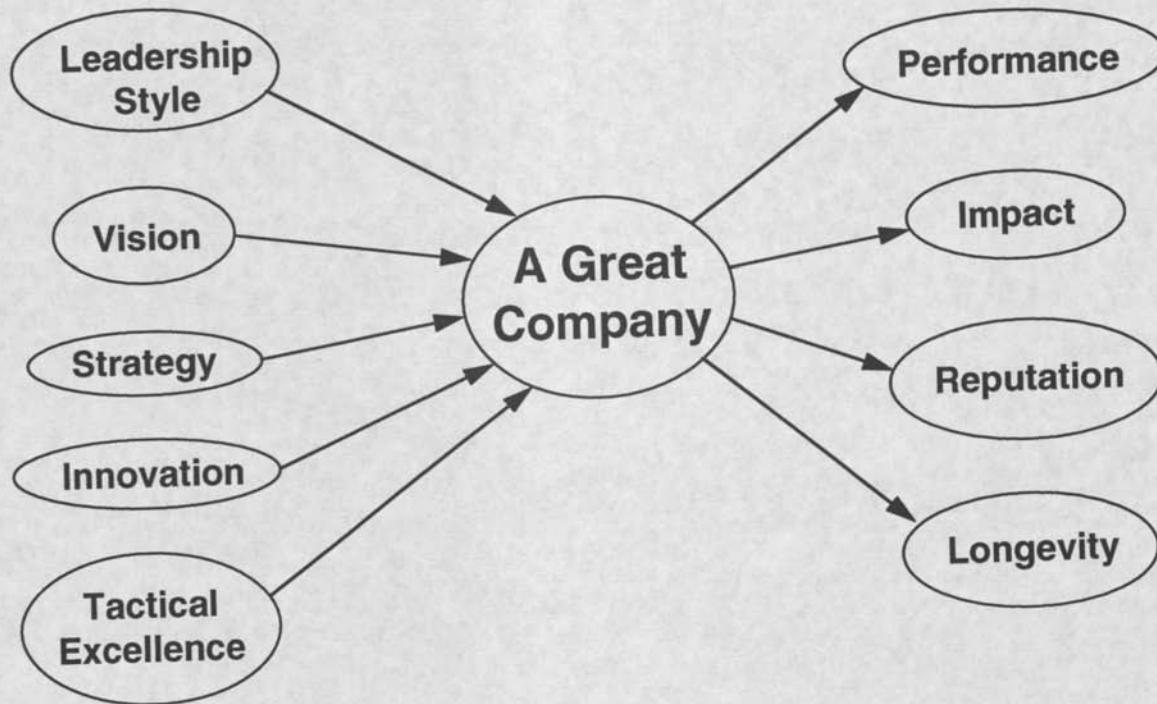
Vision is the art of seeing things invisible.

Jonathan Swift, 1711

What Makes a Company Great?

- **Performance**
 - Profitability
 - Track record of meeting objectives
- **Impact – leadership role in shaping industry**
- **Reputation**
 - Admired and respected by outside people
 - Used as a role model
- **Longevity**
 - Healthy for decades
 - Greatness endures for generations of management

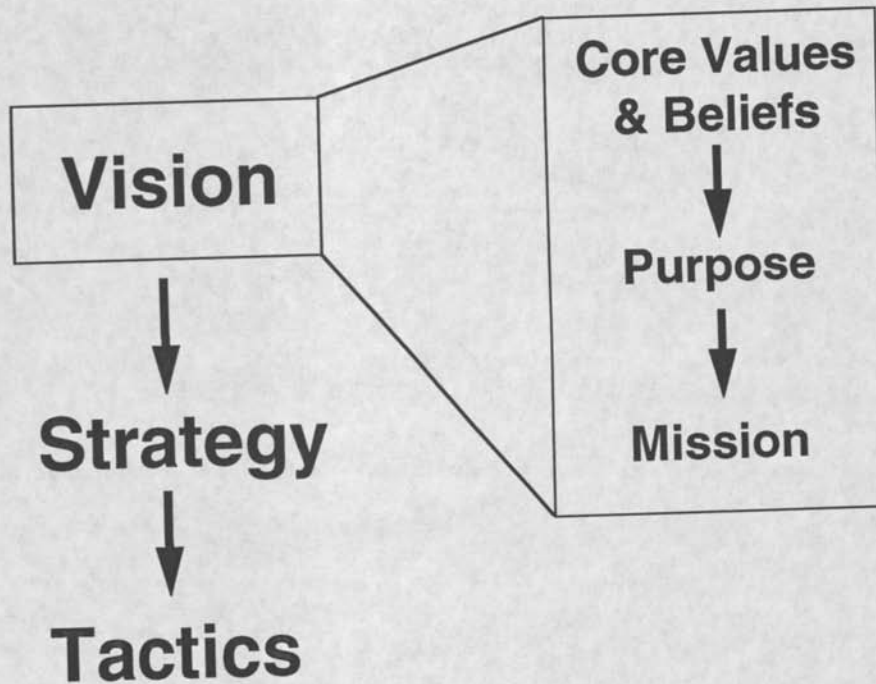
How to Make a Company Great?



Shared Vision

- **Forms the basis of extraordinary human effort**
- **Provides a context for strategic decisions
(which form the basis for tactical decisions)**
- **Creates cohesion, teamwork, and community**
- **Enables the company to evolve beyond
dependence on a few key individuals**

Vision, Strategy & Tactics



Core Values and Beliefs

- **A system of guiding principles and tenets**
- **A philosophy of life**
- **Principles that are to be held inviolate**
- **An extension of the personal core values and beliefs of the leaders of the organization**
- **Seldom change, if ever**

Purpose

- The fundamental reason for the organization's existence
- Like a guiding star: always worked towards, but never fully attained
- Should serve to guide the company for 100 years

Mission

- A bold, compelling, audacious goal.
- Has a clear finish line.
- Relatively short time frame (typically several years at most).
- Once completed, a new mission is set.

The Role of Profit

- It's like oxygen – not a reason to live, but it sure helps!
- Business cannot be defined or explained in terms of profit... The concept of profit maximization is, in fact, meaningless... The first test of any business is *not* the maximization of profit, but the achievement of sufficient profit to cover the risks of economic activity... [Peter Drucker]

More Profit

Quantitative goals can't invest purpose in a process that has none. The quest simply for more of anything is inherently unsatisfying. If there is no point or joy in what you are doing, or if you lose sight of the point, then just measuring your progress can't make it worthwhile or fun. If I can organize people around purpose, that is the most powerful form of leadership. [Tom Chappell, founder of Tom's of Maine]

Purpose

- An outgrowth of core values and beliefs.
- The fundamental reason for our company's existence.
- It's always worked towards, but never fully achieved.
- A guiding star.
- Extraordinary individuals, like Michelangelo and Churchill, had a sense of personal purpose that could never be completed. Such individuals didn't retire; they lead fulfilled lives right up to their deaths.

Statement of Purpose

- Succinct – one or two sentences
- Quickly and clearly conveys why our company exists, how it fills basic human needs and impacts the world
- Should be broad, fundamental, inspirational, and enduring.
- Should serve to guide our company for at least 100 years.

Some Statements of Purpose

Schlage Lock Company

To make the world more secure.

McKinsey & Company

To help leading corporations and governments be more successful.

Lost Arrow/Patagonia

To be a role model and tool for social change.

Stanford University

To enhance and disseminate knowledge that improves human kind.

Discovering Purpose

- Every company *has* a purpose; most have never articulated it.
- Keep asking “why?”
- Why should we continue to exist?
- What would the world lose if we ceased to exist?
- Start with: “We make file server appliances.” Then ask “why” five times.
- Purpose is a motivator, not a differentiator. It need not be unique.

Mission

- **Translates values and purpose into an energizing, highly focused goal. E.g.,**

This nation should dedicate itself to achieving the goal, before this decade is out, of landing a man on the moon and returning him safely to earth. [President Kennedy, 1961]

- **Should reach out and grab people.**
- **It should be risky: big, hairy, audacious goal.**
- **It should be compelling and passionate.**
- **You should know when it is completed.**
- **Typically 5-15 year time frame. (not always)**

Sample Missions

Crush Reebok

**Make the MIPS architecture pervasive
worldwide by the mid-1990s.**

**We're going to democratize the automobile.
[Henry Ford, 1909]**

A Great Mission Statement

Our whole people and empire have vowed themselves to the single task of cleansing Europe of the Nazi pestilence and saving the world from the new dark ages. We seek to beat the life and soul out of Hitler and Hitlerism. That alone. That all the time. That to the end.

Winston Churchill, 1940

Three Types of Mission

- **Targeting**

To be the preeminent file server company by 1998.

- **Common Enemy**

Crush Auspex

- **Role Model**

Become the Cisco Systems of file servers.

From Values to Tactics

**Core Values
& Beliefs:**

Change seldom, if ever,

Purpose:

Should last over 100 years.

Mission:

Changes whenever the mission is completed (usually every 5 to 15 years).

Strategy:

Revised annually, then totally recast with each new mission.

Tactics:

In constant flux, to adjust to changing conditions.

Mission Statement - Wilson-McHenry

◆ Previous:

"To make file server appliances pervasive by the end of this decade."

◆ Leading Alternative Proposal:

"Lead the file server market into the next century by providing unprecedented value, ease of use, performance, ease of use, and availability."

Mission Statement - Wilson-McHenry

◆ Mission Statement Counsel:

Based on our review of your existing mission statement and the proposed alternatives, our recommendation is that you keep the existing statement, but change file server appliances to filers. This statement is crisp, compelling, interesting ('filers') will peak curiosity, indicates that Network Appliance intends to be the market leader and to do so by the end of the decade.

◆ We see the objectives of a mission statement as:

- To communicate the company's business purpose to management, employees, investors, analysts and customers
- To focus management team decision making
- To guide communication programs
- To be broad enough to describe a company's existing and potential businesses

◆ Some tests to determine the worthiness of a mission statement are:

- Is it defensible?
- Is it unique to Network Appliance among competitors and the marketplace?
- Does it capture the benefit of Network Appliance's business existence to customers?
- Is it attainable?
- Is it inspiring and action-oriented to employees?
- Is it a reasonable guideline for management decision making
- Is it understandable to outside audiences?
- Will it last?
- Is it succinct?

Mission Statement

- ◆ **Wilson-Mchenry Proposal:**

“To make filers pervasive by the end of this decade.”

- ◆ **Suggested Modification to Leading Alternative:**

“Lead the file server market with products that offer unprecedented speed, availability, ease of use, and value by the end of this decade.”

Here's a guideline driven attempt at writing a mission.

What were those top level goals again?

- (1) "leading supplier" "market share leader" "dominate the market"
"make filers pervasive"
- (3) "multi-protocol" "across all protocols"
- (2) "filer" "appliances" "appliance philosophy" "dedicate file servers"
- (4) "by the end of the decade/end of the millenium/year 2000"
- (5) simple, fast, reliable, high value

So here are my contributions to the mission list:

To become the leading supplier of dedicated, multi-protocol file servers by the year 2000, by selling filers that are fast, simple, reliable and cost-effective. (24 words)

To replace general purpose file servers with dedicated multi-protocol filers that are fast, simple, reliable and cost-effective. by the year 2000. (21 words)

Dominate the file server ^{appliance} market by the year 2000 with dedicated, multi-protocol ~~filers~~ that are fast, simple, reliable and cost-effective. (20 words)

To the extent that these are longer and less exciting than we'd like, I think we need to question whether we've overconstrained the problem. I think it will be difficult to create a simple, rousing mission that includes all 5 elements.